



2015/2016

DRAFT ANNUAL REPORT

NTABANKULU LOCAL MUNICIPALITY

Contents

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Chapter 1

CHAPTER 1 – MAYOR'S FOREWORD AND EXECUTIVE SUMMARY

COMPONENT A: MAYOR'S FOREWORD

MAYOR'S FOREWORD

We have compiled this Annual Report in order to fulfill our legislative obligation as enshrined in Section 46 of the Local Government: Municipal Systems Act (No: 32 of 2000) and Sections 121 and 127 (2) of the Local Government: Municipal Finance Management Act (No: 56 of 2003).

As our vision provides, the municipality continues to endeavor to develop Ntabankulu by "creating an enabling environment which empowers and develops the community economically and socially to ensure sustainable and affordable services". Great strides have been made on the improvement of *service delivery, education and youth unemployment, financial management, institutional performance and stakeholder engagement*. It is an honour and privilege to share key achievements made by the municipality over the past 2.5 years of my tenure as the mayor.

Service delivery

Within the past 2.5 years the municipality had significantly reduced electrification backlog from **79.5% to 54.5%** by electrifying **additional 6083** households. In 2014/15 alone 3503 households were electrified. This overachievement had been made possible through the interventions pursued with the *Department of Energy, the Office of the Premier and DBSA front loading loan, who provided additional budget of R13.9million, R23.5million and R40.1million respectively.*

Over and above household electrification, the Office of the Premier had committed **R135 million for the construction of Amacwera substation**, which will increase our potential to electrify more households and allowing for the *realization of universal access two years earlier than projected, i.e. by 2018.*

We have also solicited an additional funding of **R40.1million from Provincial Treasury for the surfacing of urban area internal streets**. We believe that this will enhance the economic activity in the urban area and contribute towards revitalization of Ntabankulu. In an endeavor to reduce high infrastructure backlog, the council had over the past 2 years committed an amount of **R16.3million of the Equitable Share** towards capital expenditure.

Education and youth unemployment

In response to high illiteracy and unemployment, especially amongst youth who contribute 54% of the population, the municipality had planned and achieved the following:

- **Establishment of the National Youth Development Agency(NYDA)** office within the municipality with an objective to empower youth on skills development, career orientation and all youth related social, economic and political issues.
- **Conclusion of partnership with Walter Sisulu University(WSU)** with committed support on registration and access of NESFAS by students referred by the municipality, accredited capacity building at discounted costs, pro-bono legal support to communities and research on any area of interest by the municipality.
- **Back-to-school fundraising which contributed in excess of R600 000**, thus ensured registration of 21 students at WSU, enrolment of 20 students with Mahikeng School of Hospitality management in the North West Province.
- **Conclusion of MOU with the University of Fort Hare Eastern Cape Audiovisual centre** with commitment

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Hospitality management in the North West Province.

- **Conclusion of MOU with the University of Fort Hare Eastern Cape Audiovisual centre** with commitment on enhancing youth talent, audiovisual performance, access to recording studio, marketing within the music and film industry and business management training and support. *The municipality had in 2015/16 awarded R215 000 to talent show winners, who are currently being supported by the centre.*
- As an intervention to high matric failure rate, the municipality had facilitated an **agreement between Alfred Nzo community radio and Mindset in Johannesburg** on the creation of a platform for the live broadcasting of revision programs to support matriculants.
- **9 EPWP projects have been established in 2015/2016, creating a total number of 198 jobs.**

Financial viability

In 2015/16 the municipality had, for the first time **developed and adopted the Revenue Enhancement strategy**, which is currently being implemented. We had since realized a rapid increase in revenue collection.

Through sound financial management and commitment by political leadership in soliciting additional funding, the municipality had secured an extra R94 million, viz:

R40.1 million from DBSA; R40 million from Provincial Treasury and R30.9 million from INEP regazetted fund.

The municipality had moved from a disclaimer of Audit opinion in 2013/14 to **Qualified opinion in 2014/15**, with an anticipated improvement for the 2015/16 financial year.

Institutional Performance

There has been a steady improvement in the overall institutional performance since 2013/14, reflected as follows:

- 49% in 2013/14
- 70% in 2014/15 and
- 78% as per the current 2015/16 draft annual report. This achievement is attributed to the dedicated focus and commitment in the implementation of the Performance Management System.

Stakeholder engagement

In the year passing we have deepened our focus on improving stakeholder participation and communication. We have embarked on a number of initiatives to provide platforms for dialogue with various stakeholders including Traditional Leaders, Business Leaders, Religious Leaders, Hawkers, Professionals, Ratepayers, opinion makers and the general public. These have proven more effective as we are receiving positive feedback from our people.

In conclusion, allow me to extend a word of appreciation to all our external stakeholders, political leadership of the institution, management as led by the municipal manager and all the staff. Without their support all of the above achievements and could not have been realized. I thank everyone for their continued support.



Clir V. Mgoduka
Mayor

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COMPONENT B: EXECUTIVE SUMMARY

1.1. MUNICIPAL MANAGER'S OVERVIEW

MUNICIPAL MANAGER'S OVERVIEW

The legislative mandate calls for a responsive, accountable, effective and efficient Local Government Systems. In pursuing the mandate, the Ntabankulu Local Municipality hereby presents 2015/2016 Annual Report which is a culmination of the work performed from July 2015 to June 2016. This report reflects the progress towards the attainment of the objectives as set out in the Integrated Development Plan (IDP) and the Service Delivery and Budget Implementation Plan (SDBIP). The 2015/2016 financial statements have been prepared in accordance with the requirements of Section 155, Municipal Systems Act, 32 of 2000, Municipal Financial Management Act, 56 Of 2003 as well as Treasury Circular No. 63.

The municipality is determined to take performance of the institution towards excellence. The desire to obtain unqualified audit is a constant challenge and motivation to the management. The ability to have achieved the milestones below is motivation that resonates the message that unqualified audit can be achievable.

- **IDP which is highly credible** as all its KPAs have been rated at high by MEC Cogta and its alignment with SDBIP
- valuation of assets and inventory towards the correction of the asset register and
- preparation of quarterly Annual Financial Statements for the first time in the history of the municipality

Despite these, the CAPEX of 48,4% is painfully reminding us that the implementation of the projects or forward planning still needs to be perfected. The revenue collection of the municipality has shown an increase, with notable contribution from traffic unit, rates payment by government departments as well as debt recovery through the implementation of the new debt recovery strategy

The cascading of the PMS and recorded performance improvement will better the image of the municipality in the eyes of different stakeholders. On evaluating the performance of Senior managers for 2014/15 financial year all 6 qualified for performance bonuses. This can be attributed to the dedicated implementation of the Performance Management System which provides for recognition and reward of good performance.

Even though the Budget and Treasury Office is operating without Chief Financial Officer, the personnel had taken its performance seriously whilst the Office of the Mayor was outstanding in implementing its stakeholder engagements and fundraising in the year under review. Having regard to the importance of community involvement in the implementation of the PMS, the community will be even more resolute in demanding good performance from us. Most importantly, the municipality will continue to put premium value on public participation.

The functioning of the Municipal Public Accounts Committee (MPAC) and the Audit Committee had assisted

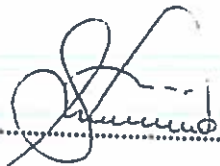
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on public participation.

The functioning of the Municipal Public Accounts Committee (MPAC) and the Audit Committee had assisted the municipality to strengthen its oversight role- which role is able to steer the municipality towards much needed unqualified audit status. The municipality has commenced with the establishment of an internal audit unit with an appointment of an Internal Audit Manager. This is a gradual process towards the achievement of an objective to phase out outsourced internal audit services.

Management and leadership have succeeded to produce credible strategic documents over the years. In the year under review the municipality had reviewed its organisational structure in line with IDP Objectives and the staff complement is at 88.3%, reducing the vacancy rate to 11.7% for the financial year 2015/2016.

I would like to thank my senior management, middle management, staff and all stakeholders for the work we have done together against all the adversaries and hurdles that we encountered in pursuit of our work. The support I enjoyed from the political leadership of the institution cannot go unnoticed. Your continued determination to move the municipality and its community forward can never pass without applause.



Ms S. Mankahla

Municipal Manager

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1.2. MUNICIPAL FUNCTIONS, POPULATION AND ENVIRONMENTAL OVERVIEW

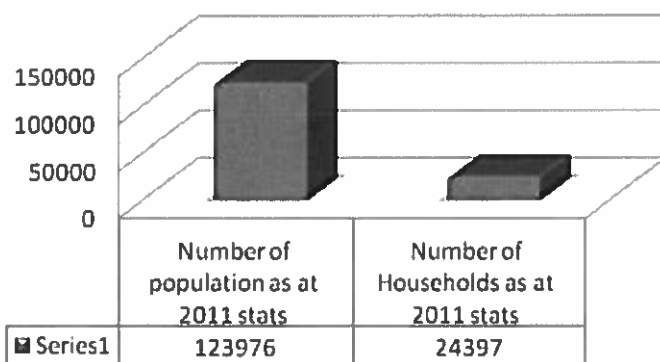
INTRODUCTION TO BACKGROUND

A Municipality is assigned powers and functions which it must perform in order to realise the objects of Local Government. Among these functions are Municipal Roads and storm water, Street lighting, land use management, building regulations Trading regulations, electricity, Municipal Planning, cleansing, Parks & Pound, Cemeteries, Sports facilities, Social infrastructure. The municipality is not a water services authority; Alfred Nzo District Municipality performs this function.

Population Size

According to the Community Survey of 2011 conducted by Statistics South Africa, the total population of Ntabankulu Local Municipality was estimated at 123 976 and some 24 397 households.

POPULATION VS HOUSEHOLDS



Gender and Age distribution

The population is dominated by females of approximately 51% and males comprise only about 49 % of the population. A large percentage of the population is dominated by children and elderly people, approximately 57%, is children aged between 0 and 19 years. About 6% falls within the pensioned group (over 56years), whilst 34% are in the working age group (20-64 years).

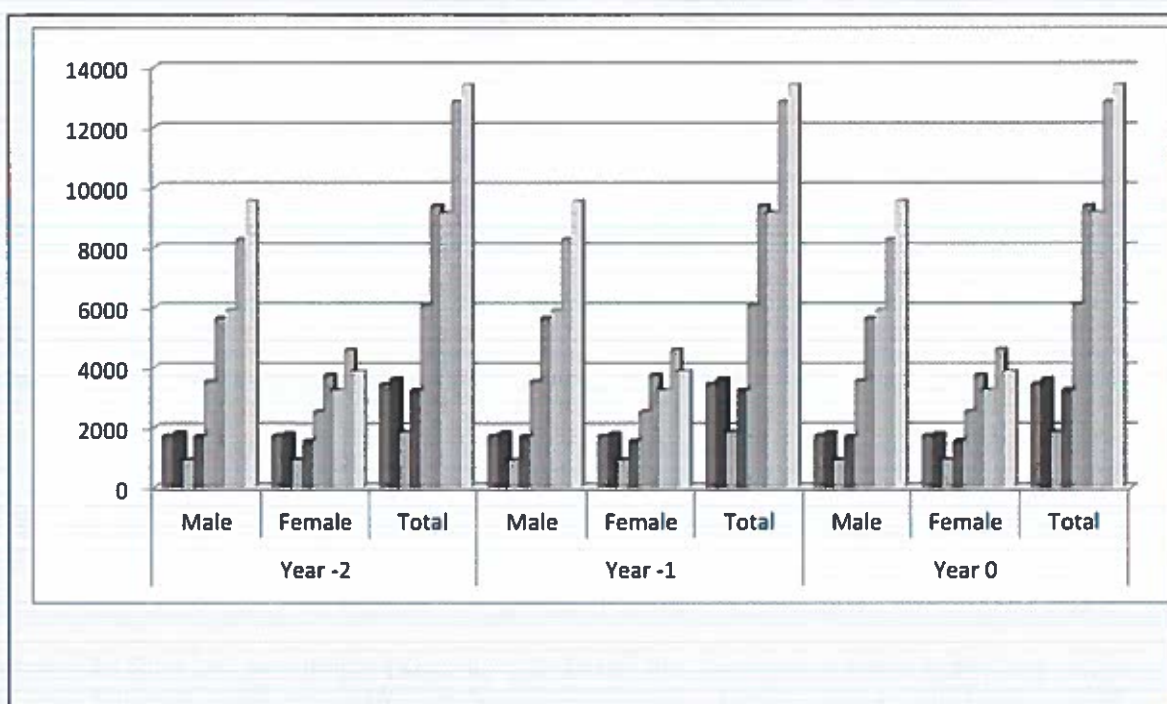
The municipality is regarded as the poorest in the province with high levels of illiteracy and unemployment as the majority of the population does not actively contribute towards the local economy, with only about 11% of households that are in formal employment.

Infrastructure is no exception, with about 86% backlog on water backlog estimated at 70%. Roads infrastructure is in a worse state, with only about 30km of surfaced roads in the municipal space. The major district roads that

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have a potential for economic spinoff that link Ntabankulu with the nearest towns i.e. Flagstaff through DR08019 and Mount Frere through DR080125 are in a bad state. Community facilities and social amenities such as halls, sports fields, parks, cemeteries, and preschools are inadequate and completely lacking. This requires the municipal planning to dynamically focus on infrastructure development Plan.

Population Details									
Age	Year -2			Year -1			Year 0		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Age: 0 – 4	1721	1721	3443	1721	1721	3443	1721	1721	3443
Age: 5 – 9	1823	1796	3619	1823	1796	3619	1823	1796	3619
Age: 10 – 19	918	932	1850	918	932	1850	918	932	1850
Age: 20 – 29	1698	1549	3247	1698	1549	3247	1698	1549	3247
Age: 30 – 39	3542	2530	6072	3542	2530	6072	3542	2530	6072
Age: 40 – 49	5635	3756	9391	5635	3756	9391	5635	3756	9391
Age: 50 – 59	5903	3262	9165	5903	3262	9165	5903	3262	9165
Age: 60 – 69	8265	4591	12856	8265	4591	12856	8265	4591	12856
Age: 70+	9536	3874	13410	9536	3874	13410	9536	3874	13410
Source: Statistics SA									T 1.2.2

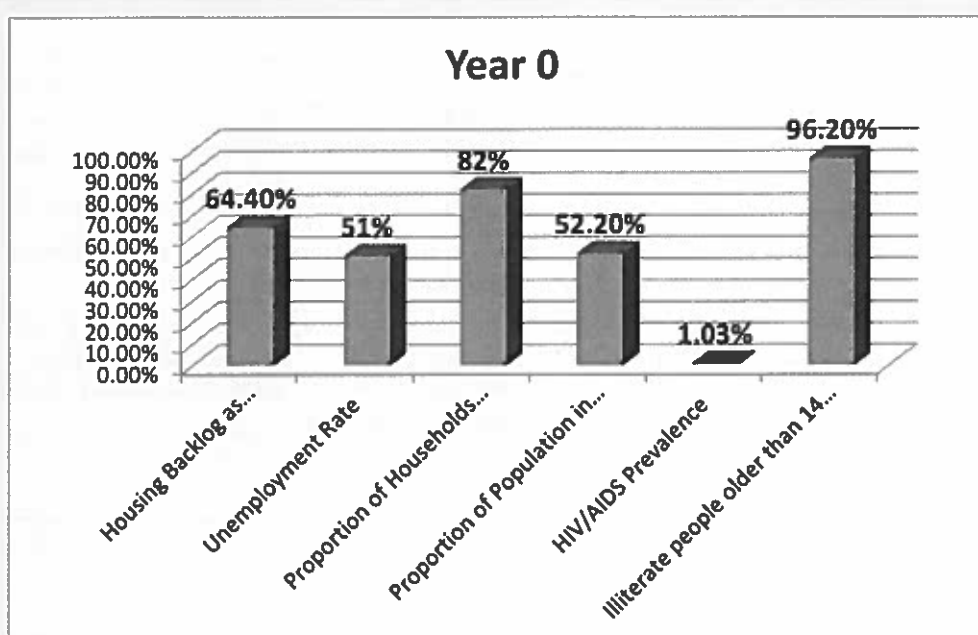


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Socio Economic Status						
Year	Housing Backlog as proportion of current demand	Unemployment Rate	Proportion of Households with no Income	Proportion of Population in Low-skilled Employment	HIV/AIDS Prevalence	Illiterate people older than 14 years
Year 0	64.4%	51%	82%	52.2	1.03%	96.2%

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Overview of Neighbourhoods within Ntabankulu Municipality		
Settlement Type	Households	Population
Towns		
1	1 546	23 897
Sub-Total	1546	23897
Townships		
2	1308	15240
Sub-Total	1308	15240
Rural settlements		
212	99570	84839

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Sub-Total	99570	84839
Informal settlements		
1	570	500
Sub-Total	570	500
Total	102424	123976
		T 1.2.6

NATURAL RESOURCES

RESOURCES	RELEVANCY TO THE COMMUNITY
Land	Agriculture, grazing human settlements and forestry ventures
Water	Ntabankulu dam, 2 major rivers (Mzimvubu and Mzintlanva Rivers)
Flora and fauna	Medicinal and game
Mining	Sand and quarry (from Mzimvubu and Mzintlanva Rivers) and quarry. Nickel and Titanium
Forestry and Agriculture	Wards 16, 17 and 18 (both indigenous and plantations). Total forests coverage is estimated at about 29.41 km ² of which plantations account for 11.5 km ² .
Beautiful Scenery	Lalashe – horse shoe development, Cultural historical resources, Local Heritage sites. Mfundisweni Mission (Ward16, Mnceba Mission (Ward 12), Lwandlolumvu Great Palace at Matshona (Ward 6), Mowa heritage site (Ward 15), Diko Monument at Ludeke (Ward 8), Xhukula Caves and Koi-san grave sites (Ward 6)

COMMENT ON BACKGROUND DATA:

Agriculture, Forestry and Mining:

The area is well endowed in natural resources which are not yet utilized to the maximum especially in agriculture and mining. Its economy is highly concentrated - dominated by the community services sector and not very much resource based despite its natural resource endowment.

Land

Land is making it possible for grazing animal stock, plantation of indigenous forests and medicinal plants and provision of human settlements.

Water

Adequate rainfall and fertile soil make the Ntabankulu municipal economy well-endowed for agricultural (crop) production; rainfall which is over 800mm annually. Ntabankulu economy is endowed with natural resources which are an advantage to the municipality in terms of land accessibility and permit for various land uses.

Beautiful Scenery and Flora and Fauna

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Ntabankulu has also remarkable cultural and historical sites to boost eco-tourism. The environmental sustainability, use of scarce natural resources efficiently, promote renewable sources of energy and leverage a green agenda for new jobs and income for the poor

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1.3. SERVICE DELIVERY OVERVIEW

SERVICE DELIVERY INTRODUCTION

Roads infrastructure in the municipality is classified as worse as most areas are inaccessible, more specially on rainy weather conditions. About 99.5% of our roads are gravel roads. Even the roads that are classified as district roads that link Ntabankulu to Flagstaff through DR08019 and Mt Frere through DR080125 are gravel which is now deteriorated.

The municipality is in dire need for tarring of both major District Roads (DR08019 and DR 080125) notwithstanding those other district roads in the municipality also need serious attention.

Municipal Infrastructure Grant funding for the financial year 2015/2016 was R26, 617, 000 for. More funding is needed to better the status of roads infrastructure as the current backlog is about 532,6km of access roads, and 280.99 km of District Roads.

The Municipality did not have sufficient budget for road maintenance, only 3% of the operational budget allocated for maintenance. The following projects were maintained in the financial year 2015/2016.

- Pothole patching of the 1.1km main road in the urban area.

- Chibini Gqazi in ward 17,

- Caba Mhlahlweni in ward 10 and

- [Drayini Mzwakazi in ward 7.

The Municipality has constructed and completed the following projects for the financial year 2015/2016 through MIG Funding and Equitable Share,

- Qiphu Access road

- Mafinyela Access road

- Dinwayo to Dunusweni Access road

- Buhlambo Access road

- Lugangatho to Mpoza Access road an,

- Ntabankulu landfill site.

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Constructions of the following projects have overlapped to the 2016/2017 financial year as they were not completed in the financial year under review, 2015/2016.

- Ntabankulu Multi-Purpose Community Centre,
- Xhopho pre-school,
- Mpoza pre-school,
- Ntabankulu sport field,
- Ntabankulu Internal Street,
- Renovation of Zola community hall, Sidakeni community hall and,
- Ablution facilities.

Alfred Nzo District Municipality is a water services Authority as per the Water Services Act. The estimated backlog for water is +/-50%. A water service in the municipality is largely bad with most of water schemes not functional, with faults ranging from malfunctioning boreholes to water purification. The municipality is largely not having access to water that fall within RDP Standards. The status of sanitation is no exception, with about 70% backlog. Only about 8,000 households have access to sanitation facilities in the area.

The municipality has 27 481 households with only about 12430 households benefiting from grid electricity and 15 051 living without electricity. Allocation for 2015/2016 financial year is equivalent to R30m as per DORA bills off which R19m went towards servicing the DBSA loan.

The municipality has progress well in terms of grid electricity as a result the municipality has also received an amount of R9,4 million from the re-gazetted fund. The municipality has also made strides to provide the non-grid electricity in the form of solar system to 100 households.

The Office of the Premier funded the municipality with R23, 5 million to be utilised for roll out of electricity in the 2015/2016 and 2016/2017 financial years. There were 580 households from ward 3 and 12 (Tsita and Mthukukazi) which have been electrified.

The Municipality had 365 beneficiaries which were receiving free basic energy in the form of conventional electrification, 5580 beneficiaries for paraffin and 100 beneficiaries for solar.

For the financial year 2015/2016 there is additional services which are rates & refuse for the urban area beneficiaries. The list of free basic services for the financial year 2015/2016 shall be as follows:

Rates

Refuse

Electricity

Solar

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Paraffin

Service Type	Base Line	Served/being served	Backlog	% backlog
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The municipality embarked on review of registration for the benefit of free basic services before the start of every financial year. The municipality then consolidates the indigent register for the qualifying applicants. The indigent register gets approved by the Council before the beginning of each financial year. The Municipality has employed two employees to execute indigent services which are, Indigent Coordinator and Indigent Administrator under the Budget & Treasury Office, Revenue Division.

The Indigent Steering Committee has been established and is functional. The committee was constituted of the Ward Councilors, Ward Committees, Community Development Workers, Traditional Leaders and Religious leaders. The committee is chaired by budget & treasury Portfolio Head.

The District Municipality supports the Ntabankulu Local Municipality through provision of indigent verification system called RUMAS.

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Electricity (h/h)	24397	11091	13306	54.53%
Roads (km)	783	182.2	600.8	76.70%
Sports Field	18	2	16	89%
Community Halls	31	21	10	32%
Pre-Schools	53	5	48	90.60%
LED	2	1	1	50%

COMMENT ON ACCESS TO BASIC SERVICES

The Municipality has managed to reduce community protests, community members demanding electricity through the engagement of different stake holders like Eskom and the office of the premier where in commitments were made to electrify 4119 households from different wards in Ntabankulu (11, 16, 17, 15, 5&4) for all the projects contractors had been appointed and site handover to the contractor has been done.

Electricity challenges within Ntabankulu jurisdiction were aggravated by the fact that there was no sub-station to provide energy capacity of which that has been sorted through the engagements, construction of the sub-station is underway.

The Municipality is still challenged by shortage of funding to provide other types of infrastructure like roads, community facilities (pre-schools, sporting facilities, community halls) and the LED infrastructure even though strides has been made to use the equitable share for the provision of the infrastructure. Huge backlogs are noticeable with pre-schools, roads,

Sports fields. The community halls are in existence in many areas even though they require to be upgraded.

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1.4. FINANCIAL HEALTH OVERVIEW

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FINANCIAL OVERVIEW

Budget Planning, Formulation and Monitoring

Integrated Development Plan was prepared and aligned with Budget. IDP, MTREF Budget and Budget Policies for financial year 2015 - 2016, as required by the Act and these policies were adopted by council on the 27th of May 2015. In compliance with section 21(1) (a) of the MFMA the IDP was reviewed together with the budget related policies to ensure that the tabled budget and any revisions of the IDP are mutual consistent and credible. During the year the Municipality has developed the revenue enhancement strategy, and 5% of the amount collected was from the arrear debts. The Municipality has put controls in place to ensure that all the expenditure incurred is budgeted for. Furthermore the monthly cash flows are prepared timeously to ensure financial viability of the Municipality.

Asset and Liability Management

Asset management policy was reviewed and adopted by Council on 27 May 2015. The municipality is maintaining a GRAP compliant asset register which is updated on a monthly basis with all the assets movements for that particular month. Asset verification is performed quarterly. Assets are bar-coded upon receipt and are therefore added on the asset register. The Municipal assets are insured with Indwe Risk Services.

The Municipality is paying its creditors within thirty days of the receipt of invoice. A loan at an amount of R40m was granted by DBSA (Development Bank of South Africa) for the electrification programme. The Municipality is paying the loan as per the requirements stated on the Service level agreement.

Supply Chain Management

Supply Chain Management unit is operational, and the Supply Chain Policy has been reviewed and adopted by the Council on 27th of May 2015. The Supply chain unit is established and fully functional with all the Bid Committees functional. The Municipality complies with the SCM policy and with the legislations, circulars and gazette. The procurement plan has been developed for 2015/2016 and all bid documents exist. The document management is being improved. Awards above R30 000 were reported to Council and National Treasury on quarterly basis. The data base is updated timeously on an electronic supply data base system. The Municipality does not have any long term contract awarded during the current financial year. The procedure manual has been reviewed and will be tabled to the Management for comments. The training for the Supply Chain practitioners is budgeted for and will be carrying out during the 2016/2017 financial year.

Expenditure Management

The Municipality has been financial viable for the period under consideration as a result we have paid most of our creditors within thirty (30) working days. The age analysis at year end stands at thirty days (30) of aging. The budgets controls are in place to avoid the unauthorized expenditure, which is the expenditure incurred were within the approved budget. At year end the budget vs actual was submitted to the approved by the Council at a total deficit of R2 551 650 which is relating to the non-cash items

Chapter 1

T1.4.1

Figure in Rand	Approved budget	Adjustments	Final Budget	Actual amounts comparable basis	Difference between final budget and actual
Statement of Financial Performance					
Revenue					
Revenue from exchange transactions					
Service charges	279 947	-	279 947	70 799	209 148.00
Rental of facilities and equipment	1 099 409	4 130	1 103 539	721 199	382 340.00
Fees earned	160 816	199 246	360 062	351 899	8 163.00
Sundry income	5 934 088	2 038 816	7 972 904	7 968 722	4 182.00
Interest received	2 293 857	-268 857	2 025 000	1 585 583	439 417.00
Total revenue from exchange transactions	9 768 117	1 973 335	11 741 452.00	10 698 202	-1 043 250
Revenue from non-exchange transactions					
					-
Taxation revenue					-
Property rates	2 844 360	382 196	3 226 556.00	3 226 556	-
Transfer revenue					-
Government grants & subsidies	103 352 000	910 571	104 262 571	104 133 670	128 901
Fines	1 700 746	-	1 700 746	1 382 776	317 970
Total revenue from non-exchange transactions	107 897 106	1 292 767	109 189 873	108 743 002	446 871

Chapter 1

Total revenue	117 665 223	3 266 102	120 931 325	119 441 204.00	-1 490 121
Expenditure					
Personnel related costs	-45 887 861	1 535 685	-44 352 176	-44 136 08	216 089
Remuneration of councillors	-11 291 884	1 850 853	-9 441 031	-9 441 031	-
Depreciation and amortisation	-2 824 000	-	-2 824 000	-19 199 474	16 375 474
Finance costs	-50 000	-2 077 200	-2 127 200	-2 127 200	-
Contribution to the provision of impairment of receivables	-529 000	-	-529 000	-1 968 787	-1 439 787
Repairs and maintenance	-3 600 000	5 690 997	2 090 997	-1 740 997	-3 831 994
Impairment of RDP Houses	-	-	-	-32 320	- 32 320
Transfer of RDP Houses		-		-348 100.00	- 348 100
Accounting and Audit fees	-3 777 281.00	350 000.00	-3 427 281.00	-739 470.00	2 687 811
General Expenses	-41 414 046.00	-9 616 448.00	-51 030 494.00	-52 424 430.00	-1 393 936
Total expenditure	-109 374 072.00	-2 266 113.00	-111 640 185.00	-132 157 896.00	20 517 711
Surplus before taxation	8 291 151	999 989	9 291 140	-12 716 692	-22 007 832
Actual Amount on Comparable basis as Presented in the Budget and Actual Comparative Statement	113 619 087	1 724 570	115 343 657	82 096 775	

Chapter 1

COMMENT ON OPERATING RATIOS:

On Employee costs employee costs are at 49% compared to the total operating budget, that means 9% exceeded the norms determined by treasury. The Municipality took the decision to withhold the recruitment and to consider placement of staff who are already in the Municipality staff established, except for the critical position which has been prioritized.

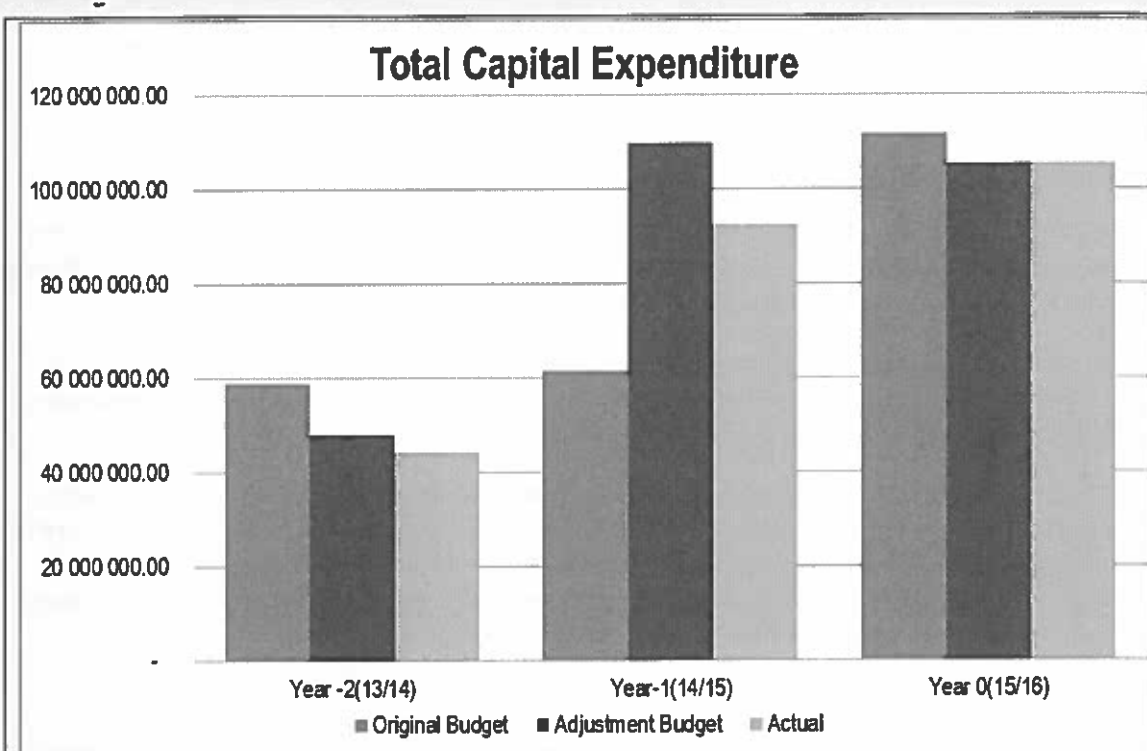
Repairs and Maintenance: Due to budgetary constraints the Municipality prioritized the capital projects hence there was only 3% budgeted for repairs and maintenance.

Finance Charges and impairment: The finance charges ha a ration 1.5% of the total operating expenditure; the percentage covers the charges to be paid on DBSA loan, and also this is an indication that the musicality is paying its creditors within a month.

T1.4.3

Detail	Year -2(13/14)	Year-1(14/15)	Year 0(15/16)
Original Budget	58 807 450	61 498 150	111 536 150
Adjustment Budget	47 957 450	109 642 603	105 270 529
Actual	44 271 000	92 327 783	105 270 529

Chapter 1



T1.4.5

COMMENT ON CAPITAL EXPENDITURE:

Year 0(2015/2016), the budget is funded by grants by gazetted grants from treasury(ies) and the equitable share. The capital grants spending (MIG and INEP) were at 100% at yearend. The provincial treasury grant for the construction of main streets was at 66% spending at year end and the balance will be rolled over to the next financial year.

T 1.4.5.1

1.5. ORGANISATIONAL DEVELOPMENT OVERVIEW

ORGANISATIONAL DEVELOPMENT PERFORMANCE

On Institutional Development and Organizational Transformation, the municipality has reviewed and adopted its 2015/2016 Organizational Structure that is commensurate to its resources to implement service delivery targets as outlined in the Integrated Development Plan.

Chapter 1

The Organizational Structure is reviewed simultaneously with IDP to ensure that Human Resources capacity responds to the need for work. The organisational structure has been reviewed for financial year 2015/2016 and the draft organisational structure has been submitted to council for approval on the 27th May 2015.

Employment Equity Plan

The Municipality has developed an employment equity plan for a period of 3 years, namely 2015-2018. The municipality has set three year objectives that are congruent with the duration of the plan. Specific objectives have been formulated based on the results gathered through employment equity survey results.

The municipality submits annual reports based on the numerical goals set and achieved in the plan, 2015 reports have been submitted to Department of Labour. The Employment Equity Manager has been appointed. Employment Equity Committee has been established but not yet trained.

The EE Plan aimed at achieving 50% positions filled by males and the same distribution to position filled by females in Senior Management level. In 2015/2016 financial year, 66.66% of positions in this level were filled by females whereas 33.33% by males. Secondly, the municipality aimed at employing 5% of disabled employees in the semi-skilled level. When advertising positions; the NLM encourages people with disabilities to apply for positions even though there is poor to 'no' response to this call.

Workplace Skills Plan 2015/2016

Workplace Skills Plan for the financial year 2015/2016 has been developed to contribute to the achievement of organizational goals contained in the IDP which refers to the interventions needed to ensure the sustainable service delivery. The annual training implementation plan has been developed which outlines the Institutional, Departmental and individual prioritized training interventions for the financial year 2015/2016.

Workplace Skills Plan was submitted to and endorsed by the training committee and later submitted to LGSETA for approval and was approved. Training Committee has been established.

Critical and Scarce Skills

Ntabankulu Local Municipality is rural in nature and unable to attract critical and scarce skills. The Municipality has developed retention strategy which is not practically implemented due to insufficient funds.

Performance Management System

Performance Management System Framework was developed; it was implemented to Directors, The Municipality embarked on cascading the framework to the lower levels since the financial year 2014/2015 it was implemented to Directors and Managers and was further cascaded to Officers in the financial year 2015/2016.

Ntabankulu Local Municipality has reviewed its Performance Management System Framework in 2015/2016 financial year and Institutional Score card adopted by Council in May 2015, to integrate municipality's strategic objectives into the performance management process.

Chapter 1

The institutional score card has been adopted by council in May 2015 which includes Integrated Development Plan priorities, service delivery and budget implementation plan (SDBIP) and individual performance contracts and plans.

Directorates develop their monthly plans and report monthly through management meetings. Quarterly performance reports and reviews have been done through Council Standing Committees. Mid- year performance reporting and reviews have been done through Council Standing Committees and annual reporting and review have been done through the MPAC and adopted by the Council.

Performance agreements 2015/2016 have been signed by all Directors and submitted to Department of Local Government & Traditional Affairs. Performance agreements for Managers reporting to Directors and Officers reporting to Managers have been signed.

1st Quarter performance evaluations 2015/2016 and 2nd quarter evaluations 2015/2016 & 3rd quarter performance evaluations have been conducted. Performance Management System policy has been reviewed and adopted by Council in May 2016 for implementation in the next financial year. The Municipality has conducted annual performance reviews to all Section 56/57 managers and Managers reporting to Senior Managers for the financial year 2014/2015 after the annual reports was adopted by Council with oversight.

Local Labour Forum

The Local Labour Forum is functioning composed of the 5 employer representatives and 5 employee representatives. The Local Labour Forum is guided by the Organizational Rights Agreement. The local Labour forum developed the annual schedule of sittings which is also inclusive in the Institutional Calendar of the Municipality. The Local Labour Forum is scheduled to sit monthly.

T1.5.1

1.6. AUDITOR GENERAL REPORT

AUDITOR GENERAL REPORT YEAR 1

Auditor General expressed a Qualified audit opinion for the 2014/15 financial year with the following qualification:-

1. Property Plant and Equipment:- Incomplete asset register as some of the infrastructure assets could not be traced to FAR. WIP disclosed last year is incorrect, and the prior year misstatement adjustment was incorrectly adjusted. Prior year WIP could not be substantiated.
2. Irregular expenditure:- Irregular expenditure could not be verified as documentation for a material portion of the procurement sample was not available for testing. This matter affects the completeness, valuation, occurrence and presentation & disclosure assertions.
3. Prior years :- AFS submitted did not cater for the prior year adjustments

Chapter 1

4. **Commitment:-** An amount of R3.8 was not disclosed
5. **Budget vs actual:** The amount disclosed in the approved and adjustment budget did not reconcile to the budget and the adjustment budget that was approved by the Council.
6. **Unauthorised expenditure:** Due to misstatement in the statement of comparison of budget and the actual amounts it was impractical to confirm the unauthorised expenditure amount.
7. **Trade receivables from exchange and non-exchange transactions:-**
8. **Inventory:** The inventory figures were overstated

Chapter 1

1.7. STATUTORY ANNUAL REPORT PROCESS

No.	Activity	Timeframe
1	Consideration of next financial year's Budget and IDP process plan. Except for the legislative content, the process plan should confirm in-year reporting formats to ensure that reporting and monitoring feeds seamlessly into the Annual Report process at the end of the Budget/IDP implementation period	July
2	Implementation and monitoring of approved Budget and IDP commences (In-year financial reporting).	
3	Finalise the 4th quarter Report for previous financial year	
4	Submit draft year 1 Annual Report to Internal Audit and Auditor-General	
5	Municipal entities submit draft annual reports to MM	
6	Audit/Performance committee considers draft Annual Report of municipality and entities (where relevant)	August
8	Mayor tables the unaudited Annual Report	
9	Municipality submits draft Annual Report including consolidated annual financial statements and performance report to Auditor General	
10	Annual Performance Report as submitted to Auditor General to be provided as input to the IDP Analysis Phase	
11	Auditor General audits Annual Report including consolidated Annual Financial Statements and Performance data	September - October
12	Municipalities receive and start to address the Auditor General's comments	November
13	Mayor tables Annual Report and audited Financial Statements to Council complete with the Auditor- General's Report	
14	Audited Annual Report is made public and representation is invited	
15	Oversight Committee assesses Annual Report	
16	Council adopts Oversight report	December
17	Oversight report is made public	
18	Oversight report is submitted to relevant provincial councils	
19	Commencement of draft Budget/ IDP finalisation for next financial year. Annual Report and Oversight Reports to be used as input	January
T1.7.1		

Chapter 1

COMMENT ON THE ANNUAL REPORT PROCESS:

In terms of the MFMA 56 of 2003, Chapter 12 Section 121 "Every municipality must for each financial year prepare an annual report in accordance with this Chapter. The Council of a municipality must within nine months after the end of the financial year deal with the annual report of the municipality.

In terms of MFMA Circular 63 of the draft annual report must be submitted to internal audit, audit committee and council before submission to Auditor General on the 31st August.

One of the advantages of compiling an unaudited Annual Report in August is that it can be used to influence the strategic objectives indicated in the IDP for the next financial year as well as the budgetary requirements related to each Vote. It further provides an opportunity to review the functional areas that received attention during the current financial year and take the necessary corrective actions to align the IDP and budget to other priority areas needing attention.

T1.7.1.1

Chapter 2

CHAPTER 2 – GOVERNANCE

INTRODUCTION TO GOVERNANCE

Governance within the Municipality has the following components:

Legislative and compliance matters

Performance Management

Risk Analysis & mitigation

Audit, Legal and Public Participation

The Municipality has an Executive Committee which is composed of 7 members of council inclusive of Mayor and has legislative authority with Speaker who chairs the Council meetings.

The Executive Committee which is constituted of seven members. Five members of the Executive committee are Portfolio heads who chair the standing committees.

The Municipality sits executive management meetings chaired by the Municipal Manager monthly, quarterly, half year and annually to evaluate performance of the Municipality in line with the approved Service Delivery and Budget Implementation Plan.

All performance reports are tabled to the governance structures quarterly for performance monitoring and oversight. All quarterly reports are tabled to the executive management, internal audit, Standing Committees, Executive Committee, Audit Committee, Council and MPAC.

In terms of compliance the Municipality has adopted the following documents in the beginning of the 2015/2016 financial year:

- 2015/2016 IDP Process Plan
- 2015/2017 Integrated Development Plan
- 2015/2018 MTREF Budget
- 2015/2016 Service Delivery and Budget Implementation Plan
- Sector Plans
- Audit Committee and internal Audit Charter
- 2015/2016 Strategic & Operational Risk Register
- 2015/2016 Institutional Calendar
- 2014/2015 Audit Action Plan to address AGSA findings
- Budget Policies
- PMS Policy Framework

T2.0.1

Chapter 2

COMPONENT A: POLITICAL AND ADMINISTRATIVE GOVERNANCE

INTRODUCTION TO POLITICAL AND ADMINISTRATIVE GOVERNANCE

The key element of governance is leadership which culminates into responsibility and accountability. Ntabankulu Local Municipality upholds this element by ensuring that there is a strong leadership both politically and administratively to ensure Council is guided towards realisation of its vision, mission and overall strategic objectives.

The IDP identifies 5 values of accountability and thus political and administrative governance functions in line with 5 values such as:

Accountability

Transparency

Participatory Governance

Governance Education and

Social Responsibility

T2.1.0

2.1 POLITICAL GOVERNANCE

INTRODUCTION TO POLITICAL GOVERNANCE

Note: MFMA S52 (a): The Mayor must provide general political guidance over the fiscal and financial affairs of the municipality

SECTION 79 & SECTION 80 COMMITTEES

The Municipality has an Executive Committee which is composed of 7 members of council inclusive of Mayor. Five Standing Committees have been established as follows:

Corporate Services

Infrastructure Planning and Development

Strategic and Development Planning

Budget and Treasury

Community Service

Chapter 2

Committees (other than Mayoral / Executive Committee) and Purposes of Committees	
Municipal Committees	Purpose of Committee
Section 79 Committees	
1. Ethics, Rules and Members Interests	<p>To undertake review of the Rules of Order, procedures and regulations of the council committees and recommend changes to that effect to Council.</p> <p>To undertake a review and/or develop policies on councilor's welfare and recommend changes to the Council, by way of reporting to the Speaker of Council.</p> <p>To develop programmes and activities to promote ethical practice and to combat corruption</p>
2. Public Participation and Petitions	<p>To monitor the process of receiving, addressing and responding to complaints from the community.</p> <p>To consider issues that may pose political risk pertaining to public participation.</p> <p>To monitor the update of the petitions register</p>
3. Municipal Public Accounts Committee	<p>The objective of the committee is to serve as an oversight committee to exercise oversight over the executive obligations of council.</p> <p>To assist council to hold executive and municipal entities to account and to ensure the efficient and effective use of municipal resources.</p> <p>To increase council and public awareness of the financial and performance issues of the municipality and its entities including policy operation and implementation of local government.</p>
Section 80 Committees	

Chapter 2

1. Community Services Committee	<p>The committee has the responsibility to:</p> <ul style="list-style-type: none"> Support the provision of Library Services Consider Solid Waste collection and disposal Regulate Landfill site and Environmental Management programmes Assist in the maintenance and management of Public Amenities e.g. Community Halls, Cemeteries, Pound, Parks & Sport fields Assist in the enforcement of Roads Traffic-laws and Municipal Traffic by-laws Promote safeguarding of Municipal Assets and Properties Assist in the coordination of Public Participation programs and Council Support Assist in coordination and development of Community Sport, Arts and Culture
2. Infrastructure Planning and Development Committee	<p>The committee assists the Council to promote service delivery within the municipality,</p> <ul style="list-style-type: none"> Monitor implementation of Human Settlement projects The Committee recommends the provision or approval of funds for unforeseen infrastructural development services, To report to the Council about the infrastructural projects that are planned for the development of the district municipality, To ensure that the municipality delivers the quality service delivery to the communities.
3. Strategic Development and Planning Committee	<p>To discuss and report about the programs of the local economic development,</p> <ul style="list-style-type: none"> The committee works towards broadening advancement of Black Economic Empowerment, The committee develops strategies to promote tourism within the local municipality, Establishment of poverty alleviation initiatives, Monitor progress on planning and the use of land after transfer, Revitalisation of town.
4. Budget and Treasury Office Committee	<p>To participate on the drafting of budget and adjusted budget,</p> <ul style="list-style-type: none"> To participate on the formulation of the IDP and Budget, Assist the Council in the allocation if applicable, the distribution of grants made to the municipality, Assist the Council in the refuse removal, rental, trading tariffs and pound fees or related matters including the collection of revenue thereof
Corporate Services Committee	<p>Receive reports and evaluate progress on Human Resources issues,</p> <ul style="list-style-type: none"> Consider matters related to job evaluation and grading of staff, Consider performance management of the institutions, Make recommendations on Development of Human Resource Policy Manual and on continuous review of Human Resources policies, Deal with the Implementation of new organisational structures and strategies, Consider labour relations matters and Human Resource and development,

Chapter 2

AUDIT COMMITTEE, INTERNAL AUDIT

The Municipality has a functioning Audit Committee as appointed by Council and it is composed of three members. The Audit Committee has met the legislated requirements in terms of the number of sittings which was eight audit committee sittings for the 2015/2016 financial year. Furthermore, the audit committee has reported twice for the 2015/2016 financial year to the Council:-

- 25 January 2016 and,
- 30 March 2016.

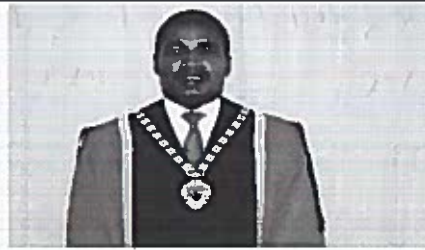
The reports tabled to Council were the 2014/2015 annual report, 1st quarter and midterm performance report.

The municipality has appointed the in house Internal Auditor with effect from 1st December 2015 and also appointed Nyalambisa Financial Services to enhance the capacity of the unit since 30 April 2015 to 30th October 2016.

T2.1.1

POLITICAL STRUCTURE 2014/2015

Chapter 2



MAYOR: Cllr. V. Mgoduka

SPEAKER: Cllr N. Ndabeni

CHIEF WHIP: Cllr S. Sophaqa

EXECUTIVE COMMITTEE MEMBERS

- Cllr N. Mpompoza: Portfolio head Strategic & Development Planning
- Cllr N.L. Ndamase: Portfolio head Community Services
- Cllr. K Nonkondlo/ Portfolio head Budget & Treasury
- Cllr. L. Ntantini: Portfolio head Infrastructure Planning & Development
- Cllr. M.Tyhalibhongo: Portfolio head Corporate Services
- Cllr. M.G. Magatyana

T2.1.1

COUNCILLORS

The Municipality is composed of 18 wards. The Municipal Council is composed of 43 members, 36 Councillors and 7 traditional leaders. 18 of which are ward councillors and 18 are deployed as Party Representative Councillors inclusive of the Mayor and the Speaker.

Chapter 2

Refer to **Appendix A** where a full list of Councilors can be found (including committee allocations and attendance at council meetings).

Refer to **Appendix B** which sets out committees and committee purposes.

T2.1.2

POLITICAL DECISION-TAKING

The Municipality has a TROIKA, which consists of the Mayor, Speaker and the Chief Whip which sits on a weekly basis and before the Council meetings to discuss agenda items to be tabled to Council and pertinent institutional matters. The Municipal Managers attends the TROIKA meetings to provide guidance and advice.

Council takes resolutions on all service delivery and community development matters. The Management has developed a Council resolution register which is circulated monthly to all directorates, to provide progress on implementation of council resolutions. The Office of the Municipal Manager monitors the implementation of Council resolutions. For the financial year 2014/2015 we had 72 resolutions and managed to implement 59 council resolutions which means we are at 82%.

T2.1.3

2.2 ADMINISTRATIVE GOVERNANCE

INTRODUCTION TO ADMINISTRATIVE GOVERNANCE

Note: MFMA s60 (b): The Municipal Manager of a municipality is the accounting officer of the municipality for the purposes of this Act and must provide guidance on compliance with this Act to political structures; political office bearers, and officials of the municipality and any entity under the sole or shared control of the municipality.

Ntabankulu local Municipality has 6 Senior Managers which includes the Municipal Manager. All Senior Managers positions are filled. The Executive Management sits every month for presentation of monthly plans and monthly reports in preparation of quarterly reports. The Executive management meetings are composed of Senior Management (Managers reporting direct to Municipal Manager) and middle Management (Managers reporting to Senior Managers)

T2.2.1

Chapter 2

MUNICIPAL MANAGER: MS. SINDISWA MANKAHLA

To oversee the administration of and serve as Chief Executive and Accounting Officer of the Municipality

Functions

- Develop and lead an economical, effective, efficient and accountable municipal administration;
- Coordinate processes towards development of Municipal IDP
- Oversee the implementation of the municipality's IDP and Institutional PMS;
- Oversee the appointment of staff other than Section 57 appointees, subject to the Employment Equity Act (55) of 1998;
- Oversee the maintenance of discipline of municipal staff;
- Advise political structures and political office bearers of the municipality;
- Manage communications between the municipality's administration and its political structures and political office bearers;
- Account for the implementation of Council Resolutions;
- Oversee the administration and implementation of municipal by-laws, policies and other legislation;
- Account for municipal income, expenditure and assets; and
- Facilitate participation by the community in the affairs of the municipality

CORPORATE SERVICES DIRECTOR: MR. S.M. NODO

To render Human Resources, Administrative and ICT Support Services.

Functions

- Manage and lead the Human Resources function
- Render Information and Communication Technology (ICT) service and support
- Coordinate Municipal Employee Wellness
- Coordinate records management and access to information in terms of the Promotion of Access to Information Act

ACTING CHIEF FINANCIAL OFFICER: MS. N. GIXANE & MS. N. MDUTYANA

To Manage Municipal Finances, Procurement and Assets

Functions

- Render Budget planning, Monitoring, Financial Statements and Reporting;
- Render Accounting functions relating to Expenditure
- Collect and manage income and revenue;
- Render provisioning, assets and fleet management services;

Chapter 2

- Render and manage Financial Risk Management Services

STRATEGIC & DEVELOPMENT PLANNING DIRECTOR: MRS. N. NDLAKU

To coordinate and manage land use, integrated sustainable economic development and planning, communications.

Functions

- Coordinate Formulation and implementation of Spatial Development Framework (SDF).
- To Stimulate local Economic Development
- To include PDI's into socio economy
- To profile, market and brand the institution

COMMUNITY SERVICES DIRECTOR: MR. S. MATIWANE

To develop and provide sustainable, accessible and affordable services that meet the needs of the Community of Ntabankulu within the legal framework, standards and regulations

Functions

- Support the provision of Library Services
- Solid Waste collection and disposal
- Landfill site Management
- Environmental Management programmes
- Maintenance and Management of Public Amenities e.g. Community Halls, Cemeteries, Pound, Parks & Sport fields
- Traffic-law enforcement and bylaws
- Public Safety Education
- Safeguarding of Municipal Assets and Properties
- Provision of DLTC, MVL and eNatis Services
- Municipal Public Works programs e.g. EPWP/CWP
- Coordination of Public Participation programs and Council Support
- Coordination and Development of Community Sport, Arts and Culture

INFRASTRUCTURE PLANNING & DEVELOPMENT DIRECTOR: MS. C.H. QOTOYI

To plan, develop, operate and maintain infrastructure

Functions

- Provide, facilitate and maintain the following infrastructural services:
- Building and Civil Works Services
- Roads and Storm water Services
- Electricity

T2.2.1

Chapter 2

COMPONENT B: INTERGOVERNMENTAL RELATIONS

INTRODUCTION TO CO-OPERATIVE GOVERNANCE AND INTERGOVERNMENTAL RELATIONS

Ntabankulu Local Municipality has established Intergovernmental Relations Forum in line with intergovernmental relations framework Act No 13 of 2005 and Regulations. Members of the IGR are members of the National, Provincial departments, Parastatals, District Municipality.

The Municipality has developed terms of reference for the intergovernmental relations forum. These procedures shall serve as Internal Procedures and processes of the Ntabankulu Local Municipality Intergovernmental Relations (IGR) Forum to ensure compliance with Section 33 of the Intergovernmental Relations Framework Act no 13 of 2005.

The objectives of the Intergovernmental Relations Forum are clearly outlined in the terms of reference adopted in 2015/2016 by Ntabankulu Local Municipality as follows:

- Coherent Planning and development
- Coordination and alignment of the strategic and performance plans & priorities; objectives and strategies of the municipality
- Coordinating any matter of strategic importance which affects the interests of municipality's stakeholders

The Municipality sat three IGR meetings in the financial year 2015/2016 but challenges were experienced in terms of representation of Sector Departments. This has resulted on lack of information circulating between the Municipality and Sector Departments and between the government institutions and community.

Items included in the Agenda for the IGR Sessions:

- Matters submitted by members of Ntabankulu Local Municipality IGR Forum
- Reports by Ntabankulu Local Municipality on implementation of projects as per the IDP
- Reports by provincial, district sector departments on implementation of projects
- information sharing
- Matters raised on community outreach
- Local Economic Development FORUM has three times during the year 2015/16 and the purpose of this forum been the development of the LED Strategy which was done in-house. Number of consultation had to be made. Subsequently The LED strategy had been developed in collaboration with all identified stakeholders and adopted by the council

T 2.3.0

Chapter 2

2.3 INTERGOVERNMENTAL RELATIONS

NATIONAL INTERGOVERNMENTAL STRUCTURES

During the year under review the municipality has received funding of R1 031m through Expanded Public Works Program which has created 198 jobs. The Municipality has received an amount of R30m for electrification of 580 households.

Through engagements with the Department of Environmental Affairs, the municipality had been funded with three projects. The projects are as outlined below:

Street cleaning and beautification project funded with R5M by Department of Environmental Affairs implemented the following projects:

- Beautification of one entrance
- Cleaning of public walkways, litter picking and collection and transportation for the duration of 10months
- Cleaning of illegal dumps and turning them into green open spaces
- Youth jobs in waste project with 09 project beneficiaries, 01 Supervisor, 02 Waste administrators, 02 Landfill administrators, 04 Awareness campaigners
- Youth environmental services project with 22 project beneficiaries trained on Nature conservation.
- The municipality had EPWP labour intensive project with 66 beneficiaries, 59 were at Environment and Culture Sector, 10 under Infrastructure sector and 04 under Social sector.
- EPWP standards applied to all the 66 project beneficiaries. The projects had been registered on the EPWP Integrated Reporting System to ensure that all reported work opportunities reflect at national level and are consequently fed into the National Strategic Goal of unemployment reduction.
- These had been done in line with EPWP Ministerial Determination that regulates the implementation of EPWP.

T2.3.1

PROVINCIAL INTERGOVERNMENTAL STRUCTURE

MUNIMEC Meetings:

The Municipality has participated in these meetings quarterly. In these meetings Municipalities are urged to improve expenditure on Capital budget and infrastructure grants,

Chapter 2

District Mayors Forums:

The Municipality has participated in these meetings quarterly, where the Mayors of Alfred Nzo District Municipality share information on service delivery progress and challenges in implementing projects.

District Appraisal Committee:

The meetings are sitting monthly for approval of MIG projects plan to be implemented over the MTREF period in preparation for the Appraisal Committee.

DISTRICT INTERGOVERNMENTAL RELATIONS FORUM

The Municipality has participated to the above structures for integration of programs and inclusion in the Integrated Development Plan. The Municipality has participated in these forums for reporting and information sharing within government and between government and communities.

SPATIAL PLANNING

The introduction of Spatial Planning and Land Use Management Act (SPLUMA) in the Eastern Cape Province has been proposed as possible tool to effect spatial transformation. Ntabankulu Local Municipality has participated in the provincial workshops that were coordinated by the Province. An attendance of the municipality has afforded it to develop SPLUMA bylaw and to establish a partnership with Alfred Nzo Municipality towards effective implementation of the Act.

LOCAL ECONOMIC DEVELOPMENT

The Municipality has participated on the District Support Team (DST) which ensures the integrated approach on planning, implementation and monitoring of Local Economic Programs.

This structure has assisted the municipality in successful stimulation and strengthening of the local economic programs of the area. The Municipality has benefited on programs that promote SME start-up and expansion, to build sustainable and competitive tourism, Agro-processing and manufacturing including training of cooperatives which are drivers for economic activity in the areas. The municipality has also explored the utilization of the Local Economic Development Forum which has contributed positively in the development of LED strategy which is on its final adoption.

MUNICIPAL COMMUNICATION

The municipality has participated in the Local government communicator's forum and IGCf which is coordinated by the Eastern Cape Province. The program has assisted the municipality to effectively implement the Communication Strategy and to use uniform approach in terms of marketing, branding and media relations. The Communications units update the information in the website quarterly and submit the information to the Information Technology unit for publishing in the Municipal website.

Chapter 2

T2.3.2

DISTRICT INTERGOVERNMENTAL STRUCTURES

Alfred Nzo District Municipality has formalized intergovernmental structures such as but not limited:

- District Mayor's Forum
- Speaker's Forum
- IDP/Budget and PMS Representative Forum
- District Communicators Forum

The municipality has participated in District communicators forum to coordinate planning of local events, local media platforms, Local Government Communicators forum: a platform that coordinates all communicators in the Eastern cape in order to report on the implementation of the Communication strategy and new innovations to be implemented in the entire province and Integrated Communicators Forum is called by Office of the Premier to plan the MEC Imbizo's and visits to Local Municipalities in order to have a uniform approach in terms of Branding, Marketing, Media Relations and Protocol. The Speaker, Councilor N. Ndabeni participates in the district's Speakers Forum to represent Ntabankulu Local Municipality. These structures assisted the Municipality in ensuring that there is integrated planning at national, provincial, district and local level.

T2.3.4

Chapter 2

COMPONENT C: PUBLIC ACCOUNTABILITY AND PARTICIPATION

OVERVIEW OF PUBLIC ACCOUNTABILITY AND PARTICIPATION

Ntabankulu Local Municipality inculcated culture for accountability among its staff, Councilors, Traditional Leaders for public accountability. In the staff establishment of the Municipality there is Public Participation and Council Support Division which is attached under the Office of the Speaker and administratively reports to the Community Services Director.

Also the Municipality has established Committees such as Section 79, Municipal Public Accounts Committee chaired by Councilor B.Z. Ndamase, Public Participation and Partitions Committee chaired by councilor S. Sophaqa. b Rules, Ethics and Members Interest Committee chaired by Councilor V. Matwasa.

Section 80 Executive Committee chaired by the Mayor Councilor V. Mgoduka. These committees sit quarterly for Institutional compliance and reporting. These Council Committees are composed of Councilors, Senior Managers, and Traditional Leaders.

The Municipality has IDP, IGR & PMS unit under the Office of the Municipal Manager. There is an IDP & Budget technical Committee which is chaired by the Municipal Managers and IDP/IGR & Budget representative forum which is chaired by the Mayor.

These committees sit quarterly for municipal planning & reporting. The IDP/IGR & Budget representative forum is composed of Councilors, Senior Management, Ward committees, Sector Departments, NGO's, Parastatals, Religious leaders, Traditional Leaders, Alfred Nzo District Municipality. These forums share information within government and between government and community at large within the Municipality.

T 2.4.0

Chapter 2

2.4 PUBLIC MEETINGS

COMMUNICATION, PARTICIPATION AND FORUMS

Marketing and Communications Division within the Strategic & Development Planning Directorate is responsible to communicate to the public all matters the municipality wishes and is compelled to communicate.

Four Buletins have been printed including articles that were sent to local newspaper. This is done through Local Newspapers, Formal Notices on Municipal buildings, Flyers, brochures, Municipal Website local community radios and through our Local Newsletter "Kwakhanya Ntabankulu".

In August 2015 A Gap analysis form was compiled and presented to the LCF with identified gaps marked in the previous document. The Communication Strategy Review Workshop was coordinated and it was well attended by all stakeholders from the Sector Departments to the media houses.

The consolidated Marketing Strategy was done which incorporated the information from Sector Department and it was presented to the Executive management and later forwarded to the Standing Committee.

- The LCF meetings were held quarterly to communicate the implementation of the strategy.
- The round table was hosted on th1st of December 2015 and it was well attended by different people representing various structures.
- Services on wheels were held on the 04/11/2015 in Mnceba village in partnership with DRDAR, DOH, SOC DEV, SASSA.
- Another Round table was held on the 24th April 2016.
- During the month of October the coordination was on media tours where all there was a radio slot on the Talk to your councillor show.
- Facilitation in Preparations of SOMA and youth event has been done and submitted to IDP.
- Meeting was facilitated with EDOS to discuss the matric results; Learners were invited to the municipality to verify the information about educational needs.
- Career Exhibition was hosted on the 10 and 11 of March and it was well attended and extremely supported by all stakeholders.
- Attendance was over 2000 only being learners excluding exhibitors. .
- The Municipality has also prepared a job preparedness on the 24th of February 2016, the office facilitated applying time campaign on the 17th May 2016, a youth submit hosted by DRDAAR was attended by NYDA officials.
- Two high schools were visited for a follow up on career guidance to Grade 12 leaners and facilitate

Chapter 2

application to learners.

- Hosting of the 16 days of activism was hosted at ward 09 on the 25th of November and the last one was done on the 2nd of December 2015 that Zola Community Hall in ward 18.
- Workshop on sign language was conducted on the 31 August 2015 and was attended by targeted stakeholders. A stakeholder meeting was facilitated on the 13th April 2016 with the purpose of getting ideas on other areas of support.
- LAC meeting was successfully held on the 19th of August 2015 at Municipal Boardroom and the second quarter was held in October in preparation for the Aids awareness day.
- Workshop on support group was done on the 29th of September 2015 at the craft centre, this target was over achieved as the first event was done in collaboration with ward 12 program and the second aids awareness day has been hosted at ward 3 at JJ Ntlabathi hall on 07 December 2015.
- Municipality in collaboration with Department of Social Development and Methodist Church hosted a Health Day in ward 12.
- The task team was formed collaboratively with members of Lwandlolumvu Traditional Council members and the Municipal employees.
- This task team was formed on the 18th of August at Matshona Village.
- Over and above the Pondo Festival the build-up event that involved local crafters and artists with the purpose to eliminate the number participants that will attend the event.
- The Cultural Festival was held at Ulwandlolumvu Traditional Council of Matshona Village. The Traditional Chief who is a custodian of the program was engaged to present the Municipality's interest to partner with the program.
- The consultation meetings for community land resolutions were scheduled for 16 and 17 of March but they could not sit and that delayed the process.
- Three business entities were registered; one of them is Gxwaleni quarry mining.
- The department for Human Settlement had been engaged to pursue their service providers responsible for rural development to utilise local resources such as sand and quarry.
- The Mayor as the person responsible for identification of the needs of the community also embarks on Mayoral outreach programs which are intended to reach out to communities to address their concerns on service delivery.
- For the financial year 2015/2016 The mayor had two mayoral outreach programs for all 18 wards from the 06 – 12 October 2015 for review of community based plans and 19 – 22 April 2016 for communication of draft IDP projects of the next financial year 2016/2017 with turnout of +/- 3000 community members.
- The Mayor was providing progress on implementation of projects to the public, challenges and

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corrective measures to be put in place to complete those projects. The Municipality was also verifying ward based plans/priorities for inclusion in the Integrated Development Plan.

- The Mayor Champions the development of the Integrated Development Plan which requires involvement of communities.
- The IDP, Budget & PMS Representative forum chaired by the Mayor was convened 3 times for the financial year 2015/2016 as scheduled in the adopted IDP, Budget & PMS Process Plan.

T2.4.1

Chapter 2

WARD COMMITTEES

The Municipality has a total of 180 ward committees. A policy on functioning of ward committees has been reviewed and approved by the Council. The role of ward committees is to link the municipal planning process to their constituencies and / or wards.

The aim is to ensure that communities understand the purpose and key mechanisms of the IDP, Budget and Performance Management. Ward committees serve as structures that help to facilitate public consultation and participation for communities to be actively involved to government programs in their wards and they provide feedback to their communities on the IDP & Budget/Service Delivery programs.

T2.4.2

Public Meetings						
Nature and purpose of meeting	Date of events	Number of Participating Municipal Councillors	Number of Participating Municipal Administrators	Number of Community members attending	Issue addressed (Yes/No)	Dates and manner of feedback given to community
Conducted Ward conferences to promote ward committee accountability to communities	November 2015	34	06	2 307	Yes	2015/09/01 Presentation of a report to the community by the ward committee
IDP outreach for all wards in October 2014 to present progress to date on implementation of projects and confirmation of community ward priorities	06 12 October 2015	47	20	1500	Yes	06 – 12 October 2015
Intergovernmental Relation Forum to prepare for IDP/Budget outreach program and establishment of	29-Sep-15	44	15	75	Yes	29 September 2015 during discussions session

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the IGR Forum						
Intergovernmental Relation Forum	19-Nov-15	48	20	65	Yes	17 February 2015 during discussions session
Intergovernmental Relation Forum	22-Feb-16	48	20	50	Yes	17 February 2015 during discussions session
Know your rights programme conducted to educate the communities about their constitutional rights and responsibilities	March 2016	36	06	1188	Yes	2015/03/01 Awareness campaign
Maintenance of Ntabankulu municipal access roads	January 2016	2	1	30	Yes	14 January 2016 Introducing of service provider
IDP & Budget Outreach for all wards for presentation progress on projects implemented for the financial year 2014/2015 and planned projects for 2015/2016	19 - 22 April 2016	48	30	3207	Yes	19-22 April 2016 during discussions
State of the Municipal Address	31-May-16	46	60	1500	Yes	31 May 2016 during discussion session

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Moral Regeneration Movement	March 2016	36	06	1757	Yes	2015/05/01 Presentation of a report to the community by the ward committee
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T2.4.3

Chapter 2

COMMENT ON THE EFFECTIVENESS OF THE PUBLIC MEETINGS HELD:

For ward conferences, the program was effective as a result ward plans were reviewed with the involvement of communities. The reviewed ward plans informed the approved IDP of the municipality.

For Know your rights program, communities were taught about their constitutional rights and their responsibilities particularly when they are complaining /protesting for government services. The purpose of these programs encompassed the issues stipulated below:

- Information sharing within government and the public
- Municipality had a platform to analyse and comment public views
- Interaction of government officials and community
- Received real challenges affecting community on implementation of government programs

T2.4.3.1

2.5 IDP PARTICIPATION AND ALIGNMENT

IDP Participation and Alignment Criteria*	Yes/No
Does the municipality have impact, outcome, input, output indicators?	Yes
Does the IDP have priorities, objectives, KPIs, development strategies?	Yes
Does the IDP have multi-year targets?	Yes
Are the above aligned and can they calculate into a score?	Yes
Does the budget align directly to the KPIs in the strategic plan?	Yes
Do the IDP KPIs align to the section 57 Managers	Yes
Do the IDP KPIs lead to functional area KPIs as per the SDBIP?	Yes
Were the indicators communicated to the public?	Yes
Were the four quarter aligned reports submitted within stipulated time frames?	Yes

Chapter 2

COMPONENT D: CORPORATE GOVERNANCE

OVERVIEW OF CORPORATE GOVERNANCE

Corporate Governance within the Municipality resides in the Office of the Municipal Manager who has the responsibility to ensure adherence to municipal policies and by-laws. This function has been delegated to all directorates.

Municipal by Laws were last regazzetted in 2010 and Municipal Policies were reviewed in 2015/2016 and approved by Council on the 27 May 2016. Municipal By-laws were reviewed, community consultations were conducted in the financial year 2015/2016, waiting approval by Council

Delete Directive note once comment is complete - Please explain in brief the scope of corporate governance.

T2.6.0

2.6 RISK MANAGEMENT

RISK MANAGEMENT

The Municipality enhanced its risk management efforts in order to identify, respond and mitigate the risks that may impede its ability to achieve its objective. The municipality has performs its risk assessment on the 30th June 2015 for the 2015/2016 financial year and constantly monitors them throughout the financial year.

In doing this, the municipality must actively monitor its efforts and actions through risk management. In year monitoring includes periodic monitoring of its actions that are designed to mitigate the impact of the risks that are in the risk register developed at the beginning of the financial year. The Municipality has established risk management committee which is constituted of risks champions from each directorate.

Service Department Role:

- To identify threats that may prevent the department to achieve its objectives
- To ensure the safe guarding of municipal assets and proper management of municipal funds.

Top five risks of the Municipality

- Non compliance with legislative prescripts
- Exposure to fraud
- Inadequate government structures
- Loss of institutional Memory
- Ineffective customer care processes

T2.6.1

Chapter 2

2.7 ANTI-CORRUPTION AND FRAUD

FRAUD AND ANTI-CORRUPTION STRATEGY

There were no cases of financial misconduct in the Municipality. The Municipality has developed and adopted its Fraud and corruption prevention policy. The policy is established to facilitate the development of controls that will aid in the prevention and detection of fraud against the Municipality. It is the intent of NLM to promote consistent organisational behavior by providing guidelines and assigning responsibility for the development of controls and conduct of investigation.

The policy also entails processes to be followed in terms of reporting fraud and also incorporates the whistle blowing.

T2.7.1

2.8 SUPPLY CHAIN MANAGEMENT

OVERVIEW SUPPLY CHAIN MANAGEMENT

The Supply Chain Policy has been reviewed and adopted by the Council on 27th of May 2016. The Supply chain unit is established and fully functional with all the Bid Committees functional. The Municipality complies with the SCM policy and with the legislations, circulars and gazette. The procurement plan has been developed for 2015/2016 and all bid documents exist.

The irregular expenditure report for the year was audited by the internal audit and the findings were responded to. The document management is being improved. Awards above R30 000 were reported to Council and National Treasury on quarterly basis. The data base is updated timeously on an electronic supply data base system. The Municipality does not have any long term contract awarded during the current financial year. The supply chain officials together with the bid committee members were trained for the period under the review.

T2.8.1

2.9 BY-LAWS

Chapter 2

No	List of By Laws: Gazetted in 2010
1.	Unsightly and Neglected Buildings and Premises By Law
2.	Pound By Law
3.	Fencing By Law
4.	Cemeteries, Funeral Undertakers and Crematoria By Law
5.	National Buildings Regulations and Building Standards By Law
6.	Control of temporary advertisement By Law
7.	Storm water Management By Law
8.	Policy and Street Naming and Awarding of Council Orders By Law
9.	Dumping, littering and Waste Collection By Law
10.	Disposal of Contaminated and/or Health Care Risk Waste By Law
11.	Control of Refuse Disposal Sites By Law
12.	Liquor Trading Hours By Law
13.	Tariffs By Law
14.	Advertising By Law
15.	Sale of food By Law
16.	Street Trading By Law
17.	Credit Control and Debt Collection By Law
18.	Roads and Traffic By Law

COMMENT ON BY-LAWS:

The municipality has By-laws that are in line with National and provincial legal framework. Bylaws were gazetted on the 15th January 2010. The municipality is currently enforcing some by-laws and is also engaging with stakeholders in the process of enforcement.

The Municipality had reviewed the Municipal By-laws in the financial year 2015/2016 and they were adopted by the Council.

T2.9.1.1

2.10 WEBSITES

Chapter 2

Municipal Website: Content and Currency of Material		
Documents published on the Municipality's / Entity's Website	Yes / No	Publishing Date
Current annual and adjustments budgets and all budget-related documents	Yes	Annual budget : 1 st of July 2016
All current budget-related policies	Yes	1 st July 2016
The previous annual report (Year -1)	Yes	April 2016
The annual report (Year 0) published/to be published	Yes	Nov/December 2015
All current performance agreements required in terms of section 57(1)(b) of the Municipal Systems Act (Year 0) and resulting scorecards	Yes	July 2015
All service delivery agreements (Year 0)	No	Not Applicable
All long-term borrowing contracts (Year 0)	No	Not Applicable
All supply chain management contracts above a prescribed value (R30,000) for Year 0	Yes	Monthly(awards are published cumulative, the previous is replaced by the current)
An information statement containing a list of assets over a prescribed value that have been disposed of in terms of section 14 (2) or (4) during Year 1	No	Not Applicable
Contracts agreed in Year 0 to which subsection (1) of section 33 apply, subject to subsection (3) of that section	No	Not Applicable
Public-private partnership agreements referred to in section 120 made in Year 0	No	Not Applicable
All quarterly reports tabled in the council in terms of section 52 (d) during Year 0	Yes	Quarterly

T2.10.1.1

Chapter 2

COMMENT MUNICIPAL WEBSITE CONTENT AND ACCESS

Municipal website is used to Inform, educate, brand and Market the municipality to keep the public informed about Municipal Programmes.

T2.10.1.1

2.11 PUBLIC SATISFACTION ON MUNICIPAL SERVICES

PUBLIC SATISFACTION LEVELS

Ntabankulu Local Municipality has 18 Wards, out of those Wards we have conducted surveys in all wards, and the outcomes in these wards people were satisfied. Contrary to the view of the people of Ntabankulu as whole who were previously dissatisfied but due to improvements with stakeholder engagements people are happy with the continuous feedbacks. Proof of this, there has been very few service delivery protests in Ntabankulu.

The following systems are in place to deal with public relations:

- Communication strategy
- Customer services charter,
- Customer Care policy &
- Customer Care Unit to implement the Batho Pele principles.
- Petitions Management committee

The Municipality conducted a survey on refuse removal services rendered by October and November 2014 and the results reflected as follows:

- 82% of the community members are quite satisfied with the services rendered
- 18% of the community members are complaining about the following:
 - Cleaning around their areas (peri-urban area) in a form of litter picking
 - Delays on collection of refuse wheelie bins by a waste collecting truck

T2.11.1

Chapter 2

Satisfaction Surveys Undertaken during: Year -1 and Year 0				
Subject matter of survey	Survey method	Survey date	No. of people included in survey	Survey results indicating satisfaction or better (%)*
Overall satisfaction with:				
(a) Municipality	Questionnaires	July 2015 – April 2016	180	80%
(b) Municipal Service Delivery		Same as above	180	
(c) Mayor	Questionnaires	Same as above	90	75%
Satisfaction with:				
(a) Refuse Collection	House to house	July 2015 – April 2016	230	70%
(b) Road Maintenance	Questionnaires	Same period	180	40%
(c) Electricity Supply	Questionnaires	Same period	180	68%
(d) Water Supply	Questionnaires	Same period	180	30%
(e) Information supplied by municipality to the public	Newsletter, Radio slots, Website			
	Local Newspapers	Same period	Community at large	70%
(f) Opportunities for consultation on municipal affairs	Outreach			
	Public participation Community meetings (Imbizo) Walks-in	Quarterly	Community at large	80%

Chapter 2

The customer care surveys were conducted in all wards as per the annual target; a questionnaire method was used to conduct those surveys and there are supporting documents. Also attended the queries that emanated from Presidential Hotline and percentage response were at 80%.

T2.11.2.1

COMMENT ON SATISFACTION LEVELS:

The municipality made an effort of adding contract workers through the funding received from the Department of Environmental Affairs. The workers focused on street cleaning and beautification within the urban area so as to improve the cleaning standards. The municipality provided all the serviced households with wheelie bins to ensure that the residential area is free of illegal dumping areas.

T2.11.2.2

Chapter 3

CHAPTER 3 – SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

INTRODUCTION

The Summary of the IDP objectives for the 5 years is as follows:

- Ensure a responsible, functional, accountable and responsive administration by adhering to policies and prescripts by 2017
- To provide cost effective, quality and sustainable infrastructure that promotes economic and social development whilst creating and maximizing job opportunities
- Increasing number of employment opportunities in the Ntabankulu Local Municipality by creating enabling environment for sustainable growing diversifying economy and to increase standard of living by June 2017
- Ensure optimal use of resources effectively and efficiently by June 2017
- To promote the values of good governance and human rights

The Municipality has four service delivery directorates which are as follows:

- Strategic & Development Planning Directorate
- Community Services Directorate
- Infrastructure Planning & Development
- Office of the Municipal Manager (Project Management Unit)

Office of the Municipal Manager: Project Management Unit

The Municipality has a three year capital plan adopted by council and reviewed annually. During the financial year 2014/2015 the Municipality planned to electrify 1358 households and achieved to electrify 3436 households through Eskom program and Municipal Program (Schedule5 and Schedule6). On roads infrastructure the Municipality completed 3 roads, 1 bridge and a driver's licence testing centre.

T3.0.

Chapter 3

COMPONENT A: BASIC SERVICES

This component includes: water; waste water (sanitation); electricity; waste management; and housing services; and a summary of free basic services.

INTRODUCTION TO BASIC SERVICES

Roads infrastructure in the municipality is classified as worse as most areas are inaccessible, more specially on rainy weather conditions. About 99.5% of our roads are gravel roads. Even the roads that are classified as district roads that link Ntabankulu to Flagstaff through DR08019 and Mt Frere through DR080125 are gravel which is now deteriorated.

The municipality is in dire need for tarring of both major District Roads (DR08019 and DR 080125) notwithstanding those other district roads in the municipality also need serious attention.

Municipal Infrastructure Grant funding for the financial year 2015/2016 was R26, 617, 000 for. More funding is needed to better the status of roads infrastructure as the current backlog is about 532,6km of access roads, and 280.99 km of District Roads.

The Municipality did not have sufficient budget for road maintenance, only 3% of the operational budget allocated for maintenance. The following projects were maintained in the financial year 2015/2016.

- Pothole patching of the 1.1km main road in the urban area.
- Chibini Gqazi in ward 17,
- Caba Mhlahlweni in ward 10 and
- Drayini Mzwakazi in ward 7.

The Municipality has constructed and completed the following projects for the financial year 2015/2016 through MIG Funding and Equitable Share,

- Qjphu Access road
- Mafinyela Access road

Chapter 3

-Dinwayo to Dunusweni Access road

-Buhlambo Access road

- Lugangatho to Mpoza Access road an,

- Ntabankulu landfill site.

Constructions of the following projects have overlapped to the 2016/2017 financial year as they were not completed in the financial year under review, 2015/2016.

-Ntabankulu Multi-Purpose Community Centre,

-Xhopho pre-school,

-Mpoza pre-school,

-Ntabankulu sport field,

-Ntabankulu Internal Street,

-Renovation of Zola community hall, Sidakeni community hall and,

-Ablution facilities.

Alfred Nzo District Municipality is a water services Authority as per the Water Services Act. The estimated backlog for water is +/-50%. A water service in the municipality is largely bad with most of water schemes not functional, with faults ranging from malfunctioning boreholes to water purification. The municipality is largely not having access to water that fall within RDP Standards. The status of sanitation is no exception, with about 70% backlog. Only about 8,000 households have access to sanitation facilities in the area.

The municipality has 27 481 households with only about 12430 households benefiting from grid electricity and 15 051 living without electricity. Allocation for 2015/2016 financial year is equivalent to R30m as per DORA bills off which R19m went towards servicing the DBSA loan.

The municipality has progress well in terms of grid electricity as a result the municipality has also received an amount of R9,4 million from the regazzeted fund. The municipality has also made strides to provide the non-grid electricity in the form of solar system to 100 households.

Chapter 3

The Office of the Premier funded the municipality with R23, 5 million to be utilised for roll out of electricity in the 2015/2016 and 2016/2017 financial years. There were 580 households from ward 3 and 12 (Tsita and Mthukukazi) which have been electrified.

The Municipality had 365 beneficiaries which were receiving free basic energy in the form of conventional electrification, 5580 beneficiaries for paraffin and 100 beneficiaries for solar.

For the financial year 2015/2016 there is additional services which are rates & refuse for the urban area beneficiaries. The list of free basic services for the financial year 2015/2016 shall be as follows:

Rates

Refuse

Electricity

Paraffin

Solar

The municipality embarked on review of registration for the benefit of free basic services before the start of every financial year. The municipality then consolidates the indigent register for the qualifying applicants. The indigent register gets approved by the Council before the beginning of each financial year. The Municipality has employed two employees to execute indigent services which are, Indigent Coordinator and Indigent Administrator under the Budget & Treasury Office, Revenue Division.

The Indigent Steering Committee has been established and is functional. The committee was constituted of the Ward Councilors, Ward Committees, Community Development Workers, Traditional Leaders and Religious leaders. The committee is chaired by budget & treasury Portfolio Head.

The District Municipality supports the Ntabankulu Local Municipality through provision of indigent verification system called RUMAS T3.1.0

Chapter 3

3.1. WATER PROVISION

INTRODUCTION TO WATER PROVISION

Ntabankulu Local Municipality is not a water services authority. Below is a summary of water services projects implemented by the Alfred Nzo District Municipality in the Ntabankulu Area during the financial year 2015/2016

DEPARTMENT/INSTITUTION	PROJECT/PROGRAMME	WARD & LOCALITY	PROPOSED BUDGET	RESPONSIBLE PERSON
ALFRED NZO DISTRICT MUNICIPALITY	UPGRADING OF NTABANKULU TOWN SEWER	WARD 9	19 210 577.93	PMU MANAGER
ALFRED NZO DISTRICT MUNICIPALITY	NYOKWENI/BOMVINI REGIONAL WATER SUPPLY SCHEME	WARD 3, 7 & 8	45 512 225.82	PMU MANAGER
ALFRED NZO DISTRICT MUNICIPALITY	NTABANKULU WARDS 17 & 18 - WATER FEASIBILITY STUDY	17 & 18	12 731 812.57	WSA MANAGER
ALFRED NZO DISTRICT MUNICIPALITY	NTABANKULU WARDS 12 & 14 - WATER FEASIBILITY STUDY	12 AND 14	13 063 570.00	WSA MANAGER
ALFRED NZO DISTRICT MUNICIPALITY	MOWA SCHEME DEVELOPMENT	15	500 000.00	WSP MANAGER
ALFRED NZO DISTRICT MUNICIPALITY	RCC SCHEME DEVELOPMENT	15	300 000.00	WSP MANAGER
ALFRED NZO DISTRICT MUNICIPALITY	DRAYINI / MZWAKAZI WATER SCHEME REFURBISHMENT	15	500 000.00	WSP MANAGER
ALFRED NZO DISTRICT MUNICIPALITY	NQWASHU SCHEME DEVELOPMENT	14		WSP MANAGER
ALFRED NZO DISTRICT MUNICIPALITY	LUTHAMBEKO SCHEME REFURBISHMENT	01	500 000.00	WSP MANAGER
ALFRED NZO DISTRICT MUNICIPALITY	LUGANGATHO WATER SCHEME DEVELOPMENT	04	500 000.00	WSP MANAGER
ALFRED NZO DISTRICT	MWIG PROGRAMME	02, 04, 05, 15 AND 16	30 000 000.00	WSP MANAGER

Chapter 3

MUNICIPALITY

Alfred Nzo is a water services Authority as per the Water Services Act. Through the section 78 process of the Municipal Systems Act, Alfred Nzo took a decision to do an internal provision. This therefore means that the municipality is an Authority and a Provider. The municipality has given a key focus on Water services, as part of its implementation of the municipal turnaround strategy. The estimated backlog for water is 86, 6%. It is worth noting that there are schemes that are running smoothly despite the predicament of the area with regards to delivery of water services. A water service in the municipality is largely bad with most of water schemes not functional, with faults ranging from malfunctioning boreholes to water purification. The municipality is largely not having access to water that fall within RDP Standards.

T3.1.1

Chapter 3

Employees: Water Services					
Job Level	Year -1	Year 0			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
Not applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
<i>This is not applicable to Ntabankulu Local Municipality as the Municipality do not carry out these services.</i> T3.1.7					

3.2 WASTE WATER (SANITATION) PROVISION

INTRODUCTION TO SANITATION PROVISION

The status of sanitation is no exception, with about 70% backlog. Only about 8,000 households have access to sanitation facilities in the area. There are projects that are under construction, and some have been recently completed. The facilities in town need upgrading to water borne system. Ablution facilities in the town are currently inadequate (Ntabankulu Taxi Rank); and land has been identified for construction of public toilets at ERF 286. The water borne sewer system in the urban area is being upgraded by the Alfred Nzo District Municipality.

The system will finally reduce effluent volumes caused by septic tanks. Bulk Water and Sanitation is planned by the Alfred Nzo District Municipality as outlined below with budget projections for 2014/2015 and 2015/2016 financial years. Chapter 7 of the IDP outlines the multi-year programs planned by the municipality and ANDM.

T3.2.1

Chapter 3

Job Level	Year -1	Year 0			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
Ntabankulu Local Municipality does not carry out these services. T 3.2.7					

3.3ELECTRICITY

INTRODUCTION TO ELECTRICITY

Most of households within the municipal jurisdiction have no access to grid electricity, with 54.7% of the population leaving without grid electricity. This forced the Municipality to seek assistance from the different stake holders like Eskom, DOE and the Office of the premier. DOE has committed 160 m (23.5 to the municipality and 136, 5 to Eskom) for electrification in Ntabankulu whereas DOE has regazzeted an amount of 9.4m to the municipality. A commitment to electrify 4119 has made out of those funds.

The Department of Energy funded the municipality with R40m in 2015/2016 financial year to supply grid electricity in 580 households from ward 03 & 12 villages (Mthukukazi& Tsita) and the other part of the funding amounting to R19m had been used to repay DBSA loan.

The municipality has 27481 households with only about 12430 households benefiting from grid electricity and 15051 living without electricity. 365 households are receiving free basic energy in form of conventional electrification. There are 100 households which benefitted from the solar program. There are 5580 households benefitted from paraffin.

T3.3.1

Chapter 3

Households - Electricity Service Delivery Levels below the minimum						
Description	Year -3	Year -2	Year -1	Year 0		
	Actual	Actual	Actual	Original	Adjusted	Actual
	No.	No.	No.	Budget	Budget	No.
Formal Settlements						
Total households						
Households below minimum service level						
Proportion of households below minimum service level						
Informal Settlements						
Total households				580	580	580
Households ts below minimum service level						
Proportion of households ts below minimum service level						
T 3.3.4						

Chapter 3

Electricity Service Policy Objectives Taken From IDP									
Service Objectives <i>Service Indicators</i> (i)	Outline Service Targets (ii)	Year -1		Year 0		Year 1	Year 3		
		Target	Actual	Target	Actual		Target		
		*Previous Year (iii)	(iv)	*Previous Year (v)	*Current Year (vi)	(vii)	*Current Year (viii)	*Current Year (ix)	*Following Year (x)
<i>To increase the number of households with access to electricity to 12199 households by June 2017</i>	To electrify 580 households by June 2016	3436	3436	580	580	580	4119	4000	4000
<p><i>Note: This statement should include no more than the top four priority service objectives. The indicators and targets specified above (columns (i) and (ii)) must be incorporated in the indicator set for each municipality to which they apply. These are 'universal municipal indicators'. * 'Previous Year' refers to the targets that were set in the Year -1 Budget/IDP round; * 'Current Year' refers to the targets set in the Year 0 Budget/IDP round. * 'Following Year' refers to the targets set in the Year 1 Budget/IDP round. Note that all targets in the IDP must be fundable within approved budget provision. MSA 2000 chapter 5 sets out the purpose and character of Integrated Development Plans (IDPs) and chapter 6 sets out the requirements for the reduction of performance management arrangement by municipalities in which IDPs play a key role.</i></p>									

T 3.3.5

Chapter 3

Employees: Electricity Services					
Job Level	Year -1	Year 0			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3					
4 - 6	1	1	0	0	0
7 - 9	1	1	0	0	0
10 - 12					
13 - 15					
16 - 18					
19 - 20					
Total	2	2	0	0	0%
<p><i>This unit is only for in-house electricity maintenance for capital projects the Municipality outsources the function.</i></p> <p>T 3.3.6</p>					

Chapter 3

Capital Projects	Year 0				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	26 395 000.00	26 395 000.00	26 439 222.37	-0.16	98,321,866.89
Buhlambo Access Road	4 048 191.18	4 768 191.18	3,243,202.58	20%	4 768 191.18
Dinwayo to Dunusweni Access Road	4 293 365.06	499 000	3 813 850.88	11%	4 793364.06
Qiphu Access Road	650,741.36	0.00	617,088.38	5%	650,741.36
Mafinyela Access Road	1,132 094.15	0.00	1,075,489.44	5%	1,132,094.15
Lugangatho to Mpoza Access Road	3,716,329.55	0,00	3,502,248.96	6%	3,716,329.55
Xhopho Pre-School	792,140.58	0,00	320,521.46	60%	792,140.58
Mpoza Pre- Schools	792,126.36	0.00	518,521.45	35%	792,126.36
Zola Community Hall	750,365.96	0.00	478,327.72	36%	750,365.96
Sidakeni Community Hall	734,135.67	0.00	712,435.70	3%	734,135.67
MPCC	26,118,059.34	0.00	11,879,232.27	55%	26,118,059.34
Ntabankulu Internal Streets	39,594,937.46	0.00	26,498,072.77	33%	39,594,937.46
Ntabankulu Sports Field	6,717,391.60	0.00	2,167,823.24	68%	6,717,391.60
Ntabankulu Landfill Site	7,761,989.62	0.00	7,213,119.98	7%	7,761,989.62
Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate).					
					T 3.7.8

COMMENT ON ELECTRICITY SERVICES PERFORMANCE OVERALL:

Ntabankulu Local Municipality has budgetted for electrification projects through schedule 5 and schedule 6.

T3.3.9

Chapter 3

3.4 WASTE MANAGEMENT (THIS SECTION TO INCLUDE: REFUSE COLLECTIONS, WASTE DISPOSAL, STREET CLEANING AND RECYCLING)

INTRODUCTION TO WASTE MANAGEMENT

The municipality delivers waste management service which includes waste removal, waste storage and waste disposal services in a manner that does not conflict with section 7 or 8 of the National Environmental Management: Waste Act No. 59 of 2008 and the Integrated Waste Management Plan that was adopted by the council has been approved by the MEC in the Department of Economic Development, Environmental Affairs and Tourism.

The services are rendered within the entire urban area; business and residential areas. The municipality has extended waste management services to cover 471 RDP households.

T3.4.1

Chapter 3

Waste Management Service Policy Objectives Taken From IDP									
Service Objectives	Outline Service Targets	Year -1		Year 0		Year 1	Year 3		
		Target	Actual	Target		Actual	Target		
		*Previous Year		*Previous Year	*Current Year		*Current Year	*Current Year	*Following Year
(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)	(viii)	(ix)	(x)
Service Objective xxx									
Ensure the implementation of the Integrated Waste Management Pan (IWMP) by June 2017	Report on the implementation of IWMP by 30 June 2016	Coordinate cleaning programs in line with regulatory framework	Coordinate cleaning programs in line with regulatory framework	Coordinate cleaning programs in line with regulatory framework	Provision of waste disposal cell backfilling machinery; management of waste disposal cells, recycling facility	Provision of waste disposal cell backfilling machinery; management of waste disposal cells, recycling facility	Provision of waste disposal cell backfilling machinery; management of waste disposal cells, recycling facility		
	Extend waste collection and disposal services to 471 settlements by 30 June 2016								

Chapter 3

*Note: This statement should include no more than the top four priority service objectives. The indicators and targets specified above (columns (i) and (ii)) must be incorporated in the indicator set for each municipality to which they apply. These are 'universal municipal indicators'. * 'Previous Year' refers to the targets that were set in the Year -1 Budget/IDP round; * 'Current Year' refers to the targets set in the Year 0 Budget/IDP round. * 'Following Year' refers to the targets set in the Year 1 Budget/IDP round. Note that all targets in the IDP must be fundable within approved budget provision. MSA 2000 chapter 5 sets out the purpose and character of Integrated Development Plans (IDPs) and chapter 6 sets out the requirements for the reduction of performance management arrangement by municipalities in which IDPs play a key role.*

T 3.4.4

Chapter 3

Employees: Solid Waste Management Services					
Job Level	Year -1	Year 0			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3					
4 - 6	1	2	2	2	50%
7 - 9	2	2	2	2	0
10 - 12					
13 - 15					
16 - 18	2	2	2	2	2
19 - 20					
Total	5	6	6	6	16.66%

Over and above the number of employees, Public Works has added temporary employees (EPWP personnel) to our work force. This project has assisted in alleviation of unemployment rate and added more cleanliness around town which also helped with the healthy environment of Ntabankulu community.

T3.4.5

Employees: Waste Disposal and Other Services					
Job Level	Year -1	Year 0			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3					
4 - 6	1	2	2	1	50%
7 - 9	6	6	4	3	0
10 - 12					
13 - 15					
16 - 18	12	17	17	2	29%
19 - 20					
Total	19	24	23	6	21%

T3.4.6

Chapter 3

Details	Year -1 Actual	Year 0 Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	559 746	630 808	594 308	594 308	-
Expenditure:					
Employees	309 746	330 808	330 808	330 808	-
Repairs and Maintenance		3 450 000	2 534 282	2 498 174	1.4
Other	250 000	300 000	263 500	263 500	
Total Operational Expenditure	559 746	630 808	3 128 590	3 092 482	1-
Net Operational Expenditure	-	-	-	-	-

T.3.4.7

Chapter 3

There were no material variances on solid waste between budgeted and actual amounts

R'000					
Details	Year -1	Year 0			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	640 850.00	619 433.00	672 071.00	672 071.00	8%
Expenditure:					
Employees	560 850.00	560 850.00	613 488.00	613 488.00	9%
Repairs and Maintenance	80 000.00	58 583.00	58 583.00	58 583.00	0%
Other	0	0	0	0	0
Total Operational Expenditure	640 850.00	619 433.00	672 071.00	672 071.00	8%
Net Operational Expenditure	-	-	-	-	-

T.3.4.8

Capital Expenditure Year 0: Waste Management Services

R' 000

Capital Projects	Year 0				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	10 321 635.00	10 321 635.00	4 146 353.00	-1.49	10 321 635.00
Project A(Waste truck)	1 311 965.00	1 311 965.00	1 311 965.00	-	1 311 965.00
Fencing of landfill site	909 670.00	909 670.00	803 195.00	-0.13	909 670.00
Construction of landfill site	8 100 000.00	8 100 000.00	2 031 193.00	-2.99	8 100 000.00

T.3.4.9

Chapter 3

COMMENT ON WASTE MANGEMENT SERVICE PERFORMANCE OVERALL:

The Municipality has budgeted for the construction of landfill site as one of the requirements that the municipality must comply with as stipulated in the National Environmental Waste Act, No. 59 of 2008. The municipality is also required to manage the Landfill Site as per the landfill standards and guidelines. The construction of the landfill site had been completed, except the installation of electricity by Eskom.

Solid waste refuse truck was procured by the Municipality during the financial year 2014/15 to effectively render waste removal services according to the National Domestic Waste Collection Standards. The provision for rehabilitation of landfill site was also budgeted for which is a requirement for each and every financial year fluctuating considering the inflation rate. The budget vs actual reflects the under spending, because the project is still on progress.

The municipality renders waste management services within the urban area including the households of 471 RDP settlement in line with the Integrated Waste Management Plan. Wheelie bins were distributed to households, households which provide rental services were given two bins and residential households were given one wheelie bin.

Wheelie bins are collected every Tuesdays and Thursdays. The collection and disposal of refuse skips is rendered through the service providers which are appointed on a three months period.

The Municipality had appointed Ikamva Consulting Agency as an EAP (Environmental Assessment Practitioner) to develop an Integrated Waste Management Plan and to coordinate processes towards obtaining the Landfill site permit from the Department of Economic Development and Environmental Affairs.

This has been done as per the National Environmental Management: Waste Act No. 58 of 2008. The Integrated Waste Management Plan had been adopted by the Council and approved by the MEC in the Department Economic Development, Environmental Affairs and Tourism.

Public participation processes were conducted with the rate payers and Ikamva Consulting presented the background information on landfill site permit processes. The activity was advertised on the daily dispatch and posters pasted on different points around town. All the necessary steps were done towards the Full Environmental Impact Assessment. Background information on the project, Draft Scoping report, Final Scoping and Environmental Impact Assessment Report were consolidated.

The activity was advertised on the daily dispatch and the all the reports were made accessible at library and at the Municipality. Posters were pasted in the dump site and in some different points around town. The posts states that people should register as affected and interested parties.

The class of the landfill site is a General landfill site. The permit was then granted by the aforementioned Department by March 2014 and it was handed over to the Municipality by April 2014. The Municipality allocated funds from Municipal Infrastructure grant for the construction of the Landfill site and the construction has been completed except for the installation of electricity by Eskom.

T3.4.10

Chapter 3

3.5 HOUSING

INTRODUCTION TO HOUSING

In 2001 the Municipality resolved to upgrade the informal settlement called 471 from shacks to decent housing. The Provincial Department of Human Settlement has commissioned a review of the Provincial Housing Sector Plan informed by individual municipal housing sector plans. The current 471 housing project has beneficiaries that exceed the available units hence the Municipality had to identify a portion of land to accommodate additional 500 units.

It has been identified within the housing sector plan that there has been a significant number of the population which falls in the gap market, thus relying on rental property for social accommodation. The municipality has planned 500 units project to address the issue of informal settlements in the urban area. The other project on planning stage is the Middle Income housing in town. The Housing sector plan 2012/2017 has more details of the projects planned from 2012-2017.

The houses were inspected by NHBRC and the rightful beneficiary inspected the house to their satisfaction and signed off the happy letters. The municipality handed over 109 houses and happy letters issued for all the 109 houses.

The Department of Human Settlement has been currently implementing 5 housing projects across Ntabankulu on both urban and rural areas. A housing survey conducted by the Department reveals that the estimated housing need for the municipality in 2001 was over fifteen thousand (15 000) units with ninety percent (90%) of that being in the rural areas.

The urban area project is one with 471 units which is on the implementation stage with a lot of irregularities that delayed the project from its inception. 221 houses have already been built. After the MEC's intervention 244 irregular structures were demolished, cleared and ready to be built.

There are five Human settlements projects in Ntabankulu area, Bomvini 300 units, Ngqane 300 units, Phungulelweni/Lubala 500 and Ntabankulu 604 which are already on implementation. Silindini 500 units which is at procurement stage. There are 964 foundations, 865 Wall plates, 833 roofs, 709 complete structures and 160 handed over to date. These projects are aimed at delivering 1704 units for rural and urban population. There are concerning delays with the progress at Bomvini project due to termination of contract with the contractor and the project is currently in procurement stage.

Housing needs register

The Housing needs register is a national project that is designed to manage waiting list on Housing Applications. The municipality have rolled out questionnaires to all wards to solicit data on housing needs. This assists the municipality to find out a number of households who are in need of RDP houses or Rental housing and other form of housing. There are four municipal officials registered on the system to do capturing of the questionnaires and capturing is an ongoing process.

T3.5

Chapter 3

Employees: Housing Services					
Job Level	Year -1	Year 0			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3					
4 - 6	1	1	1	1	100%
7 - 9	1	2	1	1	50%
10 - 12					
13 - 15					
16 - 18					
19 - 20					
Total	2	3	2	2	66.66

The Municipality still has to appoint the Development planner; there is 50% vacancy rate due to budgetary constraints, the Municipality has requested funding from the Human Settlement Department to employ more Housing personnel for data capturing, verifying applications and administration work. This section is one that is critical because there are backlogs even though the houses are in demand.

T 3.5.4

3.6 FREE BASIC SERVICES AND INDIGENT SUPPORT

INTRODUCTION TO FREE BASIC SERVICES AND INDIGENT SUPPORT

The indigent policy was reviewed and adopted by the Council in May 2015, the policy is at implementation stage with 365 beneficiaries on electricity, 5 581 beneficiaries on alternative energy (paraffin) and 203 for solar energy. The indigent steering Committee being constituted of traditional leaders, Budget and Treasury Port Folio Head, Ward Committee, Community Development Workers and two additional community members, has been established with the main purpose of verifying the list of indigent applications and recommending the indigent register to the Council for approval.

T3.6.1

Chapter 3

Free Basic Services To Low Income Households								
	Number of households							
	Total	Households earning less than R2,500 per month						
			Free Basic Solar Energy		Free Basic Paraffin		Free Basic Electricity	
	Total	Total	Access	%	Access	%	Access	%
Year -2	5 581.00	5 581.00	-	-	580.00	-	365.00	0.07
Year -1	5 581.00	5 581.00	-	-	5 581.00	1.00	365.00	0.07
Year 0	5 581.00	5 581.00	203.00	0.04	5 581.00	1.00	365.00	0.07

Financial Performance Year 0: Cost to Municipality of Free Basic Services Delivered

Services Delivered	Year -1	Year 0			
	Actual	Budget	Adjustment Budget	Actual	Variance to Budget
Electricity	164 448.00	166 076.00	166 076.00	166 076.00	-
Total	164 448.00	166 076.00	166 076.00	166 076.00	-

Chapter 3

Free Basic Service Policy Objectives Taken From IDP									
Service Objectives	Outline Service Targets	Year -1		Year 0		Year 1	Year 3		
		Target	Actual	Target		Actual	Target		
		*Previous Year		*Previous Year	*Current Year		*Current Year	*Current Year	*Following Year
Service Indicators (i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)	(viii)	(ix)	(x)
Service Objective xxx									
To identify and support the approved indigent households within municipal jurisdiction by June 2017	Adopted indigent register 5581 beneficiaries for alternative energy 365 for grid electricity	Adopted indigent register 5581 beneficiaries for alternative energy 365 for grid electricity	Adopted indigent register 5581 beneficiaries for alternative energy 365 for grid electricity	Adopted indigent register 5581 beneficiaries for alternative energy 365 for grid electricity	Adopted indigent register 5581 beneficiaries for alternative energy 365 for grid electricity	Adopted indigent register 5581 beneficiaries for alternative energy 365 for grid electricity	Adopted indigent register 5581 beneficiaries for alternative energy 365 for grid electricity	NA	NA
Note: This statement should include no more than the top four priority service objectives. The indicators and targets specified above (columns (i) and (ii)) must be incorporated in the indicator set for each municipality to which they apply. These are 'universal municipal indicators'. * 'Previous Year' refers to the targets that were set in the Year -1 Budget/IDP round; * 'Current Year' refers to the targets set in the Year 0 Budget/IDP round. * 'Following Year' refers to the targets set in the Year 1 Budget/IDP round. Note that all targets in the IDP must be fundable within approved budget provision. MSA 2000 chapter 5 sets out the purpose and character of Integrated Development Plans (IDPs) and chapter 6 sets out the requirements for the reduction of performance management arrangement by municipalities in which IDPs play a key role.									
T 3.6.5									

T 3 6.5

Chapter 3

COMMENT ON FREE BASIC SERVICES AND INDIGENT SUPPORT:

The Municipality has adopted its indigent policy and set a threshold of R2 500 for year one. There were 9580 applicants but due to budgetary constraints the Municipality had to prioritise the most needy applicants hence only 5 581 was approved for the support at amount of R8m

T3.6.6

COMPONENT B: ROAD TRANSPORT

This component includes: roads; transport; and waste water (storm water drainage).

3.7 ROADS

INTRODUCTION TO ROADS

The Municipality utilises Municipal Infrastructure Grant for construction of capital projects. The Project Management Unit has a core responsibility of ensuring implementation of Capital projects and expenditure of Municipal Infrastructure Grant. The Municipality appoints Service providers such as consultants and constructors for implementation of capital projects. During the financial year 2015/2016 the Municipality constructed 22.4 Kms and landfill site. The Municipality continues to support communities living in poverty through employing local labour when constructing capital projects thereby implementing expanded public works program.

T3.7.1

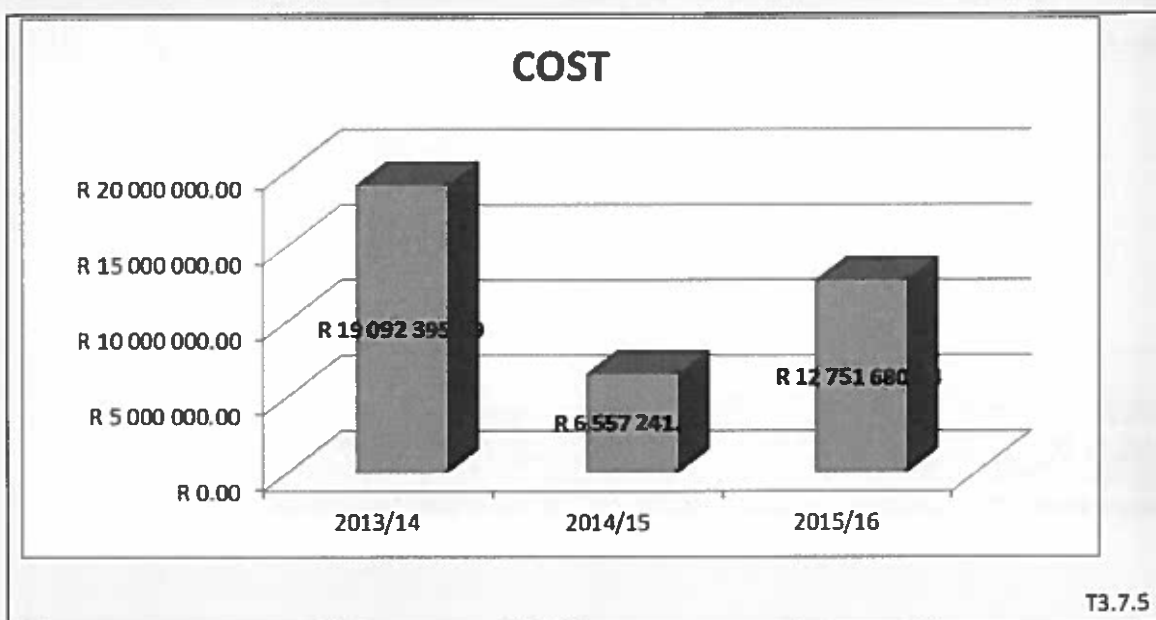
Gravel Road Infrastructure

				Kilometers
	Total gravel roads	New gravel roads constructed	Gravel roads upgraded to tar	Gravel roads graded/maintained
Year -2	607	25	0	0
Year -1	582	12.1	0	0
Year 0	582	22.4	0	0
				T 3.7.2

Chapter 3

Tarred Road Infrastructure					
	Kilometers				
	Total tarred roads	New tar roads	Existing tar roads re-tarred	Existing tar roads re-sheeted	Tar roads maintained
Year -2	27.5	0	0	0	100
Year -1	27.5	0	0	0	120
Year 0	23.5	4	0	0	1.1
T 3.7.3					

Cost of Construction/Maintenance						
	Gravel			Tar		
	New	Gravel - Tar	Maintained	New	Re-worked	Maintained
Year -2	19 092 395.99	0	0	0	0	0
Year -1	6 557 241.67	0	0	0	0	0
Year 0	12 751 680.24	0	0	0		
T 3.7.4						



Chapter 3

Road Service Policy Objectives Taken From IDP									
Service Objectives Service Indicators (i)	Outline Service Targets (ii)	Year -1		Year 0		Year 1	Year 3		
		Target	Actual	Target		Actual	Target		
		*Previous Year (iii)	(iv)	*Previous Year (v)	*Current Year (vi)	(vii)	*Current Year (viii)	*Current Year (ix)	*Following Year (x)
Service Objective xxx									
Construction of 18 new access roads and storm water by 30 June 2017	26.5 km of access roads constructed (4 access roads)	13.1 kms of access roads constructed	20.4 kms of access roads constructed	20.4 kms of access roads constructed	26.5 of access roads constructed	22.4	33.6km	None	None

Chapter 3

Job Level	Year -1	Year 0			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3					
4 - 6	2	3	2	1	66.66
7 - 9					
10 - 12					
13 - 15					
16 - 18					
19 - 20					
Total	2	3	2	1	66.66

Ntabankulu Local Municipality does not have a fully established roads construction unit it outsources the function even though the Municipality has 2 Civil Engineers that are in contract (The IPD Director & the PMU manager), also has qualified intern.

T3.7.7

Financial Performance Year 0: Road Services					
R'000					
Details	Year -1	Year 0			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	559 745.63	630 808.33	594 308.33	594 308.33	-
Expenditure:					
Employees	-	273 032.51	273 032.51	273 032.51	-
Repairs and Maintenance	-	3 450 000.00	2 534 282.00	2 498 174.00	-0.38
Other	250 000.00	300 000.00	263 500.00	263 500.00	-0.14
Total Operational Expenditure	559 745.63	630 808.33	594 308.33	594 308.33	-0.06
Net Operational Expenditure	-	-	-	-	-

Chapter 3

COMMENT ON THE PERFORMANCE OF ROADS OVERALL:

The Municipality has prioritised construction of access roads and storm water maintenance. We have used the funds from Municipal Infrastructure Grant at a total R26 395 000 for the year and prioritised the roads as listed above. The above projects were prioritised and approved by Council. The municipality in its internal reserves has prioritised construction of pre-schools and upgrading of community halls Access Roads. All the projects are still under construction.

T3.7.10

3.8 TRANSPORT (INCLUDING VEHICLE LICENSING & PUBLIC BUS OPERATION)

INTRODUCTION TO TRANSPORT

Local Integrated Transport Plan (LITP) has been prepared for the Ntabankulu Local Municipality (NLM) for the 5 year period from 2014/15 to 2017/18; this is the first LITP undertaken by the Ntabankulu Local Municipality and will form part of the future Ntabankulu Integrated Development Plan and Spatial Development Framework. It should be noted that this Local Integrated Transport Plan should be updated annually as per National Department of Transport guidelines. The transport elements were investigated as road network condition, local public transport, long distance public transport and non-motorised transport. The road network condition and public transport network were investigated to identify problems associated with travel demand and mitigation measures have been formulated to address these problems. A five-year implementation programme for the transportation projects identified was compiled. The programme includes planning, implementation and road maintenance projects.

T3.8.1

Chapter 3

Job Level	Year -1	Year 0			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	0	1	0	1	100
4 - 6	3	3	3	3	0
7 - 9	9	9	2	2	
10 - 12	0	9	2	1	100
13 - 15					
16 - 18					
19 - 20					
Total	12	22	7	7	54 %
This section has vacancies that need to be filled and it is fully functioning even though the DLTC is still under constructionT3.8.4					

3.9 WASTE WATER (STORMWATER DRAINAGE)

INTRODUCTION TO STORMWATER DRAINAGE

Maintenance of Storm water drainage has been done in Caba Mhlahlweni in ward 10, Chibini Gqazi in ward 17 and Drayini Mzwakazi in ward 7. It composed of 205m open channel and 38 manholes.

T3.9.1

Chapter 3

Storm water Infrastructure				Kilometres
	Total Storm water measures	New storm water measures	Storm water measures upgraded	Storm water measures maintained
Year -2				205
Year -1				470
Year 0				470
				T 3.9.2

Cost of Construction/Maintenance				R' 000
	Storm water Measures			
	New	Upgraded	Maintained	
Year -2				0
Year -1				0
Year 0				0
				T 3.9.3

Chapter 3

Storm water Policy Objectives Taken From IDP									
Service Objectives 									

T 3.9.5

Chapter 3

Job Level	Year -1	Year 0			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3					
4 - 6	1	1	1	1	0
7 - 9	0	0	0	0	
10 - 12					
13 - 15					
16 - 18	0		0		0
19 - 20					
Total	1	1	1	1	0

This section is also assisted by the EPWP personnel and is now functioning and continuing with roads maintenance.
T 3.9.6

Financial Performance Year 0: Storm water Services					
R'000					
Details	Year -1	Year 0			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	120.00	2 289 824	1 344 228	179 475	11.76
Expenditure:					
Employees	-	289 824	289 824	248	-1 167.65
Repairs and Maintenance	-	2 000 000	1 054 404	179 227	10.16
Other	-	-	-	-	-
Total Operational Expenditure	-	2 289 824	1 344 228	179 475	11.76
Net Operational Expenditure	120.00	-	-	-	-

Chapter 3

COMPONENT C: PLANNING AND DEVELOPMENT

This component includes: planning; and local economic development.

INTRODUCTION TO PLANNING AND DEVELOPMENT

Opportunities

There is a large pool of unemployed semi-skilled workers to be employed or re-trained for employment (so called 'youth dividend')

The economy is well endowed in natural resources

The area enjoys adequate rainfall to enable dry land farming

There is ample opportunity for value adding activities in grain, aloe and meat products.

Existing major forest activities surrounding the municipality – to tap into the regional knowledge in the cultivation of both forest and non-forest products and processing

Challenges

Low density dispersed rural settlement pattern which affects the cost of service provision; this also can lead to the loss of high potential productive agricultural land

The prevailing land tenure system practices hampers investment in agricultural production

Unplanned and unsurveyed rural settlements

Economies of scale in agricultural production (small scale subsistence practices) does not encourage investment in equipment and infrastructure

Poor/inadequate infrastructure including roads linking rural areas and local heritage sites

Inadequate basic services including water and electricity (or other sources of energy)

Low educational levels coupled with low skills

Low manufacturing activities as catalyst to economic development

T3.10.0

Chapter 3

3.10 PLANNING

INTRODUCTION TO PLANNING

Housing is one of the basic human needs that have a profound impact on the health, welfare, social attitudes and economic productivity of the individual. It is also one of the best indicators of a person's standard of living and of his or her place in society.

In achieving the Millennium Development Goals, South African Government Policy is to ensure that its citizens live within good housing conditions. In order to achieve this goal, the government wants to eliminate all informal dwellings, bucket type of toilets, and ensure that all citizens have access to electricity for lighting, and access to clean, safe water within a reasonable distances.

In 2001 the Municipality resolved to upgrade the informal settlement which is called 471 from shacks to decent housing. The Provincial Department of Human Settlement has commissioned a review of the Provincial Housing Sector Plan informed by individual municipal housing sector plans.

The current 471 housing project has beneficiaries that exceed the available units hence the Municipality had to identify a portion of land to accommodate additional 500 units. It has been identified within the housing sector plan that there is a significant number of the population which falls in the gap market, thus relying on rental property for social accommodation.

The municipality has planned 500 units project to address the issue of informal settlements in the urban area. The other project on planning stage is the Middle income housing in town.

The Housing sector plan 2012/2017 has more details of the projects planned from 2012-2017. The Department of Human Settlement is currently implementing 5 housing projects across Ntabankulu on both urban and rural areas.

A housing survey conducted by the Department reveals that the estimated housing need for the municipality in 2001 was over fifteen thousand (15 000) units with ninety percent (90%) of that being in the rural areas. The urban area project is one with 471 units which is on the implementation stage with a lot of irregularities that delayed the project from its inception. 221 houses have already been built. After the MEC's intervention 244 irregular structures were demolished, cleared and ready to be built.

There are five projects in rural areas, Bomvini 300 units, Ngqane 300 units, Phungulelweni/Lubala 500 and Ntabankulu 604 which are already on implementation. Silindini 500 units which is at procurement stage. There

Chapter 3

are 964 foundations, 865 Wall plates, 833 roofs, 709 complete structures and 160 handed over in 2014/15 financial year.

These projects are aimed at delivering 1704 units for rural and urban population. There are concerning delays with the progress at Bomvini project due to termination of contract with the contractor and the project is currently in procurement stage. Ntabankulu Local Municipality has taken an initiative to develop land as identified by Council.

Middle income (extension six)

Proposals have been called from suitably qualified property developers to assist the Municipality in the installation of services and construction of middle income housing on a turnkey basis.

The site consist of 126 residential erven, comprising of 1 public open space and Roads subdivision, 38 sites are privately owned and 89 sites to be developed by the property developer. 1 site is already developed utilized as a residential for municipal purposes. The service level agreement was signed between the municipality and the appointed service provider in April 2015.

The service provider is Glad Pam Property developers. The process of getting commitment from financial institutions is under way and it depends on the buying power of beneficiaries, hence it might take a bit longer than expected. Building plans for show house have been submitted to NLM for approval. Contractor Appointed by Glad Pam to build the show house.

T3.10.1

Applications for Land Use Development						
Detail	Formalisation of Townships		Rezoning		Built Environment	
	Year -1	Year 0	Year -1	Year 0	Year -1	Year 0
Planning application received	0.00	0.00	0.00	0.00	14	20
Determination made in year of receipt	0.00	0.00	0.00	0.00	14	22
Determination made in following year	0.00	0.00	0.00	0.00	0	0
Applications withdrawn	0.00	0.00	0.00	0.00	0	0

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Applications outstanding at year end	0.00	0.00	0.00	0.00	2	4
						7
						3.10.2

LAND USE DEVELOPMENT APPLICATION

Two Service Providers had been appointed for subdivision, surveying and rezoning of two erven Erf 87 and 906 & 907 with 110 and 120 sites respectively. So far layout plans have been produced and we are now awaiting submission of land use application which is delayed by the readiness of SPLUMA.

Chapter 3

Local Economic Development Policy Objectives Taken From IDP									
Service Objectives	Outline Service Targets								
		Target	Actual	Target		Actual	Target		
Service Indicators									
		*Previous Year		*Previous Year	*Current Year		*Current Year	*Current Year	*Following Year
(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)	(viii)	(ix)	(x)
Service Objective xxx									
To ensure availability of credible spatial development framework and Land Use Management Plan to guide Spatial Planning for the Municipality by June 2017.	Draft Development applications	Draft Development applications	NA	Draft Development applications	NA	NA	Draft Development applications	Draft Development applications	NA

Chapter 3

Employees: Housing Services					
Job Level	Year -1	Year 0			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3					
4 - 6	1	1	1	0	0
7 - 9	1	2	1	1	50%
10 - 12					
13 - 15					
16 - 18					
19 - 20					
Total	2	3	2	1	66.66%
Planning Department has 50% vacancy rate.					
T 3.5.4					

Financial Performance Year 0: Planning Services					
R'000					
Details	Year -1	Year 0			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	426 618	1 426 536	1 426 536	766 995	-0.86
Expenditure:					
Employees	369 538	376 536	376 536	376 536	-
Repairs and Maintenance	-	-	-	-	#DIV/0!
Other	57 080	1 050 000	1 050 000	390 459	-1.69
Total Operational Expenditure	426 618	1 426 536	1 426 536	766 995	-0.86
Net Operational Expenditure		-	-	-	-

Chapter 3

3.11 LOCAL ECONOMIC DEVELOPMENT (INCLUDING TOURISM AND MARKET PLACES)

INTRODUCTION TO ECONOMIC DEVELOPMENT

AGRICULTURE

25 hectares have been planted with beans at Tladi Crop Production project which benefited 25 households and the produce was 2405kg of beans. 2 hectares of land was planted with fresh crops such as spinach, Potato seed, Cabbage, Onion, Manure and LAN, Garden tools, and agreement was done with Boxer super store to supply the products. Site visit for monitoring was done at Abahlobo on 12 April 2016, 18 May 2016 and 27 June 2016 and in June there is no produce at the site because of the draught.

Livestock improvement was implemented in partnership with Alfred Nzo Development Agency where 09 wards benefited in the program of vaccination.

Social facilitation was done and Six livestock associations were vaccinated in the following wards (Ward 10) Caba, Ward 11 (Siyaya) Ward 12 (Majuba) ward 15 (Hlankomo) ward 14 (Ncama) ward 13 (Lucingweni). Social facilitation was done on Dapile 16 February 2016 (ward 16) at and 25 February 2016, 07 March 2016 at Lunzwana (ward 17) Vaccination at Taleni on 24 February 2016, Solomon (ward 15) on 08 March and Tonti (ward 15) 07 March 2016. Social facilitation was done at Mabofu 04 April 2016 and Marahamzeni on the 18 May 2016 (ward 16), Vaccination at Way 18 April 2016 (ward 16), Tonti 19 May 2016 (ward 15) and Mazeni 29 June 2016 (ward 16)

On the 27th of November there was a successful launch of the Live Stock improvement project which was hosted at Mnceba Village in ward 12. The programme was reported to be started in February 2014 and its purpose is to upgrade farmers with 80 Doni Merino rams (which is a dual purpose breed).

This programme was intended to increase the quality of a live stock in the area while commercializing the livestock for wool and meat purposes. Farmers had been trained on basic farm production in preparation for this project.

Babondla poultry in ward 13 with 15 beneficiaries has been supported with electrification, feed and chicks. The beneficiaries have been trained in financial management and hatchery production. This project has been implemented in partnership with Department of Rural Development and Agrarian Reform as well as social development.

The hatchery machine had been provided for Babondla poultry cooperative. The funding of Masikhule Poultry cooperative as poverty alleviation program in Lugangatho village in ward 04.

The cooperative is doing well and out 200 chicks 190 have grown up and sold at the amount of R60 and profit was R11400-00. That is in their coffers and they are waiting for second batch of the chicks to be delivered. There are currently no chicks produced due to technical problems experienced on the hatchery machine and lack of backup on electricity

QUARRYING and SAND MINING

Facilitation have been made to position the community of Bhonxa Village in ward 13 to take community land resolution towards quarry mining. Consultative processes are still underway to achieve this target.

Chapter 3

Three business entities were registered. The department for Human Settlement had been engaged to peruse their service providers responsible for rural development to utilize local resources such as sand and quarry. The consultation meetings for community land resolutions were scheduled for 16 and 17 of March but they could not sit and that delayed the process. It was later discovered that the application were supposed to be compiled and submitted to the department by the appointed service provider.

FOREST

The Municipality has been facilitating the Environment Impact Assessment for new afforestation which was target to take place in ward 16, 17 and 18, however the EIAS could not be obtained due to funding constraints. A Furniture production corporative project has been established in wards 02 where five young members have been identified as project beneficiaries.

The tools have been provided for 5 members of Eyethu furniture and training on wood manufacturing products conducted in Furntech. The cooperative had been trained in Business management orientation conducted with incubation by Furntech SEDA UMzimkhulu center.

WHOLESALE AND RETAIL

Business awareness campaigns was conducted on five and 50 informal traders regarding renewal payments of permit by march 2016. The objective of the information sharing day was as follows:-

- To empower and promote sustainability on SME's,
- To create a plat form for information sharing on services rendered and,
- To create partnership with relevant institutions for SMME development and to promote Local Economic growth.

The targeted groups were Local SME's, Co-operatives, Previously disadvantaged groups and the following institution provided support:-Alfred Nzo District Municipality, SARS DEDEA, SEDA and Bank services .Formal Trader were issued with a Formal Trading License and Informal Businesses were issued their Street Trading Licenses.

New Ntabankulu Plaza shopping retail complex was opened on the 28 April 2016 which offered job opportunities for local people. These job opportunities which the recruitment was facilitated by Shoprite Company in collaboration with the Municipality and that ensured beneficiation of local people.

Business licensing awareness campaign have been successfully implemented in ward 09 where hawker and formal businesses were taken through the processes of registering a business up to its maintenance i.e. licensing and permits. Business Information sharing day was conducted where all the local suppliers formal and informal were invited. The objective of the information sharing day was as follows:-

- To empower and promote sustainability on SME's,
- To create a plat form for information sharing on services rendered,
- To create partnership with relevant institutions for SMME development and

Chapter 3

-To promote Local Economic growth.

The targeted groups were Local SME's, Co-operatives, Previously disadvantaged groups and the following institution provided support:-Alfred Nzo District Municipality, SARS DEDEA, SEDA and Bank services .

T3.11.1

Economic Activity by Sector				
R '000				
Sector	Year - 2012	Year - 2013	Year 2014	Year 2015
Agric, forestry and fishing	5	5	6	5
Mining and quarrying	5	3	2	1
Manufacturing	20	28	39	5
Wholesale and retail trade	35	38	40	3
Finance, property, etc.	2	2	2	2
Govt, community and social services	8	8	8	0
Infrastructure services	3	3	3	4
Total	78	87	100	20

Economic Employment by Sector				
Sector	Jobs			
	Year 2012	Year 2013	Year 2014	Year 2015
	No.	No.	No.	No
Agric, forestry and fishing	40	12	25	60
Mining and quarrying	10	8	6	10
Manufacturing	66	71	73	50
Wholesale and retail trade	120	100	210000	80
Finance, property, etc.	0	0	0	2
Govt, community and social services	0	0	0	2
Infrastructure services	21	21	21	660
Total	257	212	210125	864

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COMMENT ON LOCAL JOB OPPORTUNITIES:

The Municipality has 38 Agricultural cooperative and 23 arts and crafts cooperatives registered in the database. These are social enterprises that have contributed substantially in the job creation opportunities as the member of cooperative are self-employed in the businesses. Agriculture is one of the sectors that offer a massive job creation and a revival of the rural economy and it is being a sector for a catalyst for a job creation. This sector is able to exploit its linkages with the other sectors in the economy as facilitations are being made to move away from subsistence mode of production to large scale commercial agriculture to produce volumes to support for example agro-processing.

The following agricultural are being identified as priority areas:

Crop farming: 2 hectors of land was planted with fresh crops such as spinach, Potato seed, Cabbage, Onion, Manure and LAN, Garden tools, and agreement was done with Boxer super store to supply the products. Site visit for monitoring was done at Abahlobo on 12 April 2016, 18 May 2016 and 27 June 2016 and in June there is no produce at the site because of the draught.

Livestock improvement: Livestock improvement was implemented in partnership with Alfred Nzo Development Agency where 09 wards benefited in the programme of vaccination. Social facilitation was done and Six livestock associations were vaccinated in the following wards (Ward 10) Caba, Ward 11 (Siyaya) Ward 12 (Majuba) ward 15 (Hlankomo) ward 14 (Ncama) ward 13 (Lucingweni). Social facilitation was done on Dapile 16 February 2016 (ward 16) at and 25 February 2016, 07 March 2016 at Lunzwana (ward 17) Vaccination at Taleni on 24 February 2016, Solomon (ward 15) on 08 March and Tonti (ward 15) 07 March 2016. Social facilitation was done at Mabofu 04 April 2016 and Marahamzeni on the 18 May 2016 (ward 16), Vaccination at Way 18 April 2016 (ward 16), Tonti 19 May 2016 (ward 15) and Mazeni 29 June 2016 (ward 16)

T3.11.4

Jobs Created during Year 2015 by LED Initiatives (Excluding EPWP projects)				
Total Jobs created / Top 3 initiatives	Jobs created	Jobs lost/displaced by other initiatives	Net total jobs created in year	Method of validating jobs created/lost
No.	No.	No.	No.	

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Total (all initiatives)					
Year -2	58	12	58	Database form	
Year -1	40	22	40	Database form	
Year 0	72	49	72	Database form	
Initiative A (Year 0)	Arts and craft				
Initiative B (Year 0)	Livestock				
Initiative C (Year 0)	Crop Production				

Job creation through EPWP* projects		
Details	EPWP Projects No.	Jobs created through EPWP projects No.
Year -2	03	106
Year -1	03	106
Year 0	09	198
* - Extended Public Works Programme		T 3.11.6

Chapter 3

Local Economic Development Policy Objectives Taken From IDP									
Service Objectives	Outline Service Targets	Year 2013		Year 2014			Year 2012	Year 2011	
		Target	Actual	Target	Actual		Target		
Service Indicators		*Previous Year		*Previous Year	*Current Year		*Current Year	*Current Year	*Following Year
(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)	(viii)	(ix)	(x)
Service Objective xxx									
Training of people in essential skills:	Number of people trained (including retrained upskilled)	Number people trained	Number people trained	Number people trained	Number people trained	Number people trained	Number people trained	number people trained	Number of people trained
Poultry production	Hatchery production	6	6	6	6	6	6	6	6
SMME development (Retail)	Business licensing	73	73	76	76	66	66	6	6

Chapter 3

SMME development (Retail)	Project Management, Financial Management and Marketing Management	40	40	25	25	12	12	6	6
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Chapter 3

Employees: Local Economic Development Services					
Job Level	Year -1	Year 0			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3					
4 - 6	2	2	2	2	
7 - 9	1	1	1	1	
10 - 12					
13 - 15					
16 - 18					
19 - 20					
Total	3	3	3	3	00%
Ntabankulu Local Municipality LED staff establishment is not complete; there is a shortage of clerical level staff & office space due to insufficient budget.					
T 3.11.8					

Financial Performance Year 0: Local Economic Development Services
R'000

Details	Year -1	Year 0			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	1 440 900	1 530 789.00	1 530 789.00	1 612 493.00	0.05
Expenditure:					
Employees	1 138 479	1 230 789.00	1 230 789.00	1 230 789	-
Repairs and Maintenance	-	-	-	-	
Other	302 421	300 000.00	140 679	140 679	
Total Operational Expenditure	1 440 900	1 530 789.00	1 371 468	1 371 468	
Net Operational Expenditure	-	-	140 679	140 679	

Chapter 3

COMMENT ON LOCAL ECONOMIC DEVELOPMENT PERFORMANCE OVERALL:

There were no capital projects prioritized for the year. The Municipality has only budgeted for maintenance of the existing projects.

T3.11.11

Chapter 3

COMPONENT D: COMMUNITY & SOCIAL SERVICES

This component includes: libraries and archives; museums arts and galleries; community halls; cemeteries and crematoria; child care; aged care; social programmes, theatres.

INTRODUCTION TO COMMUNITY AND SOCIAL SERVICES

The municipality has focused on facilitating organised sports and recreation within the jurisdiction of Ntabankulu where nine football associations were established and capacitated on sports and recreation management.

The municipality further facilitated the sport and recreation session with the objective of developing an integrated sports and recreation plan, guidelines on provision of support to associations. The municipality facilitated the establishment of netball associations and further facilitated the implementation of an annual sport plan. The municipality coordinated mayoral cup games which commenced at ward levels and further conducted a fun run programme with the involvement of communities.

The municipality engaged on signing up 20 contractual employees receiving a stipend on a monthly basis. This has been done with the intentions to maintain the community halls under the jurisdiction of Ntabankulu local municipality.

The municipality through funding granted by the Department of Environment Affairs employed 90 project beneficiaries on contract of 10 months for street cleaning and beautification in the financial year 2014/15. The project focused on unemployed individuals and it was EPWP intensive. The youth jobs in waste project had been renewed and employed 9 contract workers for a period of 1 year to work as administrators under the waste management unit.

The municipality introduced a community development strategy for the contract workers with the aim to train the unemployed individual under the EPWP program. Training was conducted for 33 contract workers under the Safety and security sector. Another EPWP project took 66 contract workers for a period of 1 year under the environment and culture sector, social sector and infrastructure sector.

T3.52.0

Chapter 3

3.52 LIBRARIES; ARCHIEVES; MUSEUMS; GALLERIES; COMMUNITY FACILITIES; OTHER (THEATRES, ZOOS, ETC)

INTRODUCTION TO LIBRARIES; ARCHIEVES; MUSEUMS; GALLERIES; COMMUNITY FACILITIES

The municipality has identified 4 wards for the extension of libraries to communities. Siphethu community in ward 4 is the only modular library that is currently functioning.

Currently the municipality has 20 Community halls with 20 hall caretakers placed in each community hall who received a stipend under EPWP rate.

T3.52.1

Chapter 3

Libraries; Archives; Museums; Galleries; Community Facilities; Other Policy Objectives Taken From IDP									
Service Objectives	Outline Service Targets	Year -1		Year 0		Year 1	Year 3		
Service Indicators		Target	Actual	Target	Actual		Target		
		*Previous Year		*Previous Year	*Current Year		*Current Year	*Current Year	*Following Year
(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)	(viii)	(ix)	(x)
Service Objective xxx									
To improve access to library and information facilities and services	To extend library facilities and programs to the rural communities	To improve functioning of the library by providing equipment and material	To improve functioning of the library by providing equipment and material	To improve functioning of the library by providing equipment and material	Improve functioning of the library by providing equipment and material by 30 June 2015	Improve functioning of the library by providing equipment and material by 30 June 2015	Improve functioning of the library by providing equipment and material by 30 June 2015		
<p><i>Note: This statement should include no more than the top four priority service objectives. The indicators and targets specified above (columns (i) and (ii)) must be incorporated in the Indicator set for each municipality to which they apply. These are 'universal municipal indicators'. * 'Previous Year' refers to the targets that were set in the Year -1 Budget/IDP round; * 'Current Year' refers to the targets set in the Year 0 Budget/IDP round. * 'Following Year' refers to the targets set in the Year 1 Budget/IDP round. Note that all targets in the IDP must be fundable within approved budget provision. MSA 2000 chapter 5 sets out the purpose and character of Integrated Development Plans (IDPs) and chapter 6 sets out the requirements for the reduction of performance management arrangement by municipalities in which IDPs play a key role.</i></p>									

T 3.12.3

Chapter 3

Employees: Cemeteries and Crematoriums					
Job Level	Year -1	Year 0			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3					
4 - 6	1	1	1	0	0
7 - 9	1	1	1		0
10 - 12					
13 - 15					
16 - 18	1	2	2	0	50%
19 - 20					
Total	3	4	4	0	66.66%
There are no vacancies. There is an office space challenge. T 3.13.4					

Financial Performance Year 0: Libraries					
R'000					
Details	Year -1	Year 0			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	775 750	773 578	506 488	506 488	-
Expenditure:					
Employees	-	-	-	-	-
Repairs and Maintenance	-	-	-	-	-
Other	775 750	773 578	506 488	506 488	-
Total Operational Expenditure	-	-	-	-	-
Net Operational Expenditure	-	-	-	-	-

Chapter 3

COMMENT ON THE PERFORMANCE OF LIBRARIES; ARCHIVES; MUSEUMS; GALLERIES; COMMUNITY FACILITIES; OTHER (THEATRES, ZOOS, ETC) OVERALL:

The Municipality is the implementing agent for the Library, and is receiving the funds for the operations of the Library from the Department of Sport, Recreation and Culture. For the past three years there were no capital projects prioritised except for the maintenance programme.

T3.52.7

3.55 CEMETORIES AND CREMATORIUMS

INTRODUCTION TO CEMETORIES & CREMATORIUMS

The municipality through the existence of the library within the urban area and the modular library at ward 04 Silindini managed to coordinate for library programs. The programs were coordinated in partnership with DSRAC successfully. The conducted programs were as outlined below:

- Literacy day
- Holiday program
- Library week
- Youth day program

T3.55.1

Chapter 3

Cemeteries and Crematoriums Policy Objectives Taken From IDP									
Service Objectives Service Indicators (i)	Outline Service Targets (ii)	Year -1		Year 0			Year 1	Year 3	
		Target	Actual	Target		Actual	Target		
		*Previous Year (iii)	(iv)	*Previous Year (v)	*Current Year (vi)	(vii)	*Current Year (viii)	*Current Year (ix)	*Following Year (x)
Service Objective xxx									
Ensure effective management of Public Amenities by implementing regulatory framework	Greening of parks, cemeteries and public walkways	To manage, monitor and evaluate the implementation of applicable public amenities policy and by-laws	To manage, monitor and evaluate the implementation of applicable public amenities policy and by-laws	To manage, monitor and evaluate the implementation of applicable public amenities policy and by-laws	Coordinate cleaning services to all municipal sites and public walkways	Coordinate cleaning services to all municipal sites and public walkways	Coordinate cleaning services to all municipal sites and public walkways		
<p>Note: This statement should include no more than the top four priority service objectives. The indicators and targets specified above (columns (i) and (ii)) must be incorporated in the indicator set for each municipality to which they apply. These are 'universal municipal indicators'. * 'Previous Year' refers to the targets that were set in the Year -1 Budget/IDP round; * 'Current Year' refers to the targets set in the Year 0 Budget/IDP round. * 'Following Year' refers to the targets set in the Year 1 Budget/IDP round. Note that all targets in the IDP must be fundable within approved budget provision. MSA 2000 chapter 5 sets out the purpose and character of Integrated Development Plans (IDPs) and chapter 6 sets out the requirements for the reduction of performance management arrangement by municipalities in which IDPs play a key role.</p>									

T 3.13.3

T 3.13.3

Chapter 3

Employees: Cemeteries and Crematoriums					
Job Level	Year -1	Year 0			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	0 - 3				
4 - 6	4 - 6	1	1	1	0
7 - 9	7 - 9	1	1	1	0
10 - 12	10 - 12				
13 - 15	13 - 15				
16 - 18	16 - 18	1	2	2	50%
19 - 20	19 - 20				
Total	Total	3	4	4	66.66%
There are no vacancies. There is an office space challenge. T 3.13.4					

Financial Performance Year 0: Cemetery					
R'000					
Details	Year -1	Year 0			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	933 309	462 388	1 276 448	733 133	
Expenditure:					
Employees	462 388	462 388	502 870	502 870	-
Repairs and Maintenance	-	-	-	-	-
Other	470 921		773 578	230 263	1.00
Total Operational Expenditure	933 309	462 388	1 276 448	733 133	-
Net Operational Expenditure	-	-	-	-	-

Chapter 3

COMMENT ON THE PERFORMANCE OF CEMETORIES & CREMATORIUMS OVERALL:

There was no capital expenditure incurred by the Municipality for the past three years.

T3.55.7

Chapter 3

3.56 CHILD CARE; AGED CARE; SOCIAL PROGRAMMES

INTRODUCTION TO CHILD CARE; AGED CARE; SOCIAL PROGRAMMES

AGED CARE

The elderly sector plan was reviewed whose purpose is to provide technical support to elderly people by facilitating sporting activities, skills audit, project needs analysis as well as awareness campaign on government grants, human rights day and violence against elderly. Golden games were hosted on the 23 September 2015 and the match was organised between Ntabankulu and Mbizana local Municipality. Update of sporting activities per ward by March 2016 was done with an action Plan for the upcoming year.

The Municipality successfully hosted golden games and developed a data for elderly people in the Municipal area. Mandela day was successfully hosted though 67 minutes contribution to Previously Disadvantaged families of Ntabankulu area at ward 02, ward 03, ward 13 and ward 15 from 28–30 July 2015. The handover of two rooms to two families, handover of blankets and groceries was done by the Mayor to the destitute elderly people.

SOCIAL PROGRAMMES

Ntabankulu local municipality developed a multi-sectoral HIV and AIDS strategic plan which was a product of engagements of the local stakeholders and role-players. This multi-sectoral plan recognised the local initiatives and programmes from locally based organisations and seeks to enhance them for maximum outcomes and impact.

This multi-sectoral HIV and AIDS strategic plan identified number of activities that covered separate but inter-related aspects of the strategic process. Amongst the activities the increase of HIV and AIDS awareness campaigns among sexually active members of the community especially young people was successfully implemented.

LAC meeting was successfully held on the 19th of August 2015 at Municipal Boardroom and the second quarter was held in October in preparation for the Aids awareness day, Workshop on support group was done on the 29th of September 2015 at the craft centre, this target was over achieved as the first event was done in collaboration with ward 12 program and the second aids awareness day has been hosted at ward 3 at JJ Ntlabathi hall on 07 December 2015. Municipality in collaboration with Department of Social Development and Methodist Church hosted a Health Day in ward 12.

Inkciyo launch was part of the programme and it was done at ward 04 where young maidens participated maximally on the programme. HIV and aids awareness campaign which promoted HIV testing and education without fear of stigmatisation was also conducted in ward 18 with the participation of Community media trust, HIV TB care and Department of Health.

Chapter 3

A woman sector plan was also reviewed with the objective to launch ward woman forum, capacity building skills audit, development of database and leadership programmes relating to women. A gala dinner intended to empower woman with business skills was successfully co-ordinated by the Municipality.

Youth sector plan which aimed at meaningful participation of youth designated sector group in all developmental programme and as well as educational programmes that will encourage young people was successfully reviewed. As a result of this plan a Mayoral achiever's awards whose objective was to promote the culture of long life learning and education Excellency amongst grade 12, encourage young people to instill the culture of long life learning and education to be regarded as a catalyst of development change and awarding schools, educators and to support circuit managers who have done extremely well in their leaning areas was successfully coordinated.

This event awarded the top overall achiever, second and third runner ups towards study fees, Top towards Tuition fees. Facilitation for the appointment of Local Youth Officers was done. The facilitation of matric re write was done and submitted to NYDA Offices in Durban, the appointment of an additional officer by NYDA was also done and sent to NYDA . The Municipality has also prepared a job preparedness on the 24th of February 2016, the office facilities applying time campaign on the 17th May 2016, a youth submit hosted by DRDAAR was attended by NYDA officials.

Branding of the office through NYDA banners has been done. Training of Local Youth interns will take place on the 5th July 2016. Two high schools were visited for a follow up on career guidance to Grade 12 learners and facilitate application to learners. Achievers were profiled. Invitations were sent to all identified stakeholders and the event was well organized well attended and the achievers were awarded with certificate detailing the kind of support received.

The event was held on the 31 March 2016. Meeting was facilitated with EDOS to discuss the matric results, Learners were invited to the municipality to verify the information about educational needs. Twenty learners have been supported by the municipality from the application for admission, registration, payment of registration , selection of courses, provision of groceries and facilitation for application of NSFAS which twenty students received full support by NSFAS.

The support of youth who are still at school was hosted on the 10 and 11 of March and it was well attended and extremely supported by all stakeholders. Attendance was over 2000 only being learner's excluding exhibitors.

The Youth was mobilized from 29 February to 4th March where members of the youth council were in five ward clusters to select the ward forum and screen for talent and three winners were identified.

This even was collaboratively done with Eastern Cape Audio Visual Centre. 18 youth people from all 18 wards have been selected through ward councilors and the service provider was appointed to facilitate the training and learner driver licensing have been passed by 12 members which is an achievement

A disability sector plan was also reviewed whose objectives were to ensure maximum participation and mainstreaming of disability persons into developmental programs of the municipality. This plan led to a well-coordinated disability workshop which was successfully conducted in November 2014 at ward 9 where all the disabled persons from all wards were invited and empowered about their rights, businesses skills and social grants that are provided by government.

Chapter 3

Data was revised and consolidated per ward. Workshop on sign language was conducted on the 31 August 2015 and was attended by targeted stakeholders. Letter to Department of Health was written requesting their support in assessing the kind of wheel chairs required for identified people then assessment of beneficiaries was done through assistance with Department of Health and procurement processes have been followed and recommended quotation has been signed.

Letter to Department of Social Development was sent on the 29th of October to Social Development and Enock Sontonga respectively requesting due support for identified disabled youth namely Hlaziya Morta, Tantsi Azola and Andisiwe Ntlangula . A stakeholder meeting was facilitated on the 13th April 2016 with the purpose of getting ideas on other areas of support.

T3.56.1

SERVICE STATISTICS FOR CHILD CARE

OPHARNS AND VULNERABLE CHILDREN (OVC)

The Municipality reviewed the OVC's sector plan where it facilitated the purchasing of school uniforms which was distributed to 39 OVC's. The programme was set to give support to the vulnerable and orphaned children while promoting a holistic supportive environment that were subsequent to prevalence of HIV and AIDS.

The following items were delivered as materials required for three preschools as stimulation material(ward 12,17 and 18):-Plastic Small Kiddies tables, Small kid Jolly chairs, Medium dolls to be used by boys, Wooden cards in a form of ambulance or fire fighters, Wax crayons, Alphabet chats for learning how to read alphabets, Fruits Chats. During Mandela Day which occurred On 21 /07/ 2015 Municipality provided uniform for 30 needy learners (Jersey/ shoes)in ward 2, Another 50 school uniforms (Shoes and Jersey) in Ward 15. The similar exercise was also done by donors to needy students of Bonxa, another pair of socks was given to Caba young children during the Back to School Campaign.

T3.56.2

Chapter 3

Child Care, Aged Care Social Programs Policy Objectives From IDP							
Service Objectives	Outline Service Targets	Year -2012		Year 2014		Year 2013	
		Target	Actual	Target		Actual	
		*Previous Year		*Previous Year	*Current Year		*Current Year
Service Indicators							
(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)	(viii)
Service Objective xxx							
Determine planning application within a reasonable timescale	Approval or rejection of all build environment applications within a x weeks	Determination within x weeks	Determination within x weeks	Determination within 12 weeks	Determination within 12 weeks	Determination within x weeks	Determination within 11 weeks
	Reduction in planning decisions overturned	X planning decisions overturned	X planning decisions overturned	5% planning decisions overturned	5% planning decisions overturned	X planning decisions overturned	4% planning decisions overturned
Mainstream the Historical Disadvantage	Implement youth sector Plan	Revival of ward youth forums	Revival of ward youth forums	Annual grade 12 Mayoral Achievers awards	Annual grade 12 Mayoral Achievers awards	To Host Miss Ntabankulu	To Host Miss Ntabankulu
	Implement women sector Plan	facilitate procurement of support material as per needs analysis report	facilitate procurement of support material as per needs analysis report	Facilitated gala dinner for Women and business information day	Facilitated gala dinner for Women and business information day	facilitate procurement of support material as per needs analysis report	facilitate procurement of support material as per needs analysis report

Chapter 3

	Implement disabled sector Plan	facilitate admissions of 2 new students at Enoch Sontonga	facilitate admissions of 2 new students at Enoch Sontonga	1 Disability workshops/ Awareness campaigns conducted	1 Disability workshops/ Awareness campaigns conducted	facilitate additions of 2 new students at Enoch Sontonga	facilitate additions of 2 new students at Enoch Sontonga
	Implement two project in the OVC sector Plan	Identify beneficiaries to be supported with uniform and stimulation material Facilitate procurement Hand over of school uniform	Identify beneficiaries to be supported with uniform and stimulation material Facilitate procurement Hand over of school uniform	Identify beneficiaries to be supported with uniform and stimulation material Facilitate procurement Hand over of school uniform	Identify beneficiaries to be supported with uniform and stimulation material Facilitate procurement Hand over of school uniform	Identify beneficiaries to be supported with uniform and stimulation material Facilitate procurement Hand over of school uniform	Identify beneficiaries to be supported with uniform and stimulation material Facilitate procurement Hand over of school uniform
Implement HIV and Aids Program	Implement Four Projects in the HIV AIDS plan	Revival of ward support groups in all wards and hosted Aids day	Revival of ward support groups in all wards and hosted Aids day	Revival of ward support groups in all wards and hosted Aids day	Revival of ward support groups in all wards and hosted Aids day	Launched LAC	Launched LAC
Mainstream the Historical Disadvantage	Implement three Projects in the Elderly Sector Plan	Approved proposal for the provision of support for elderly projects	Approved proposal for the provision of support for elderly projects	Facilitated Golden games	Facilitated Golden games	Approved proposal for the provision of support for elderly projects	Approved proposal for the provision of support for elderly projects

Chapter 3

Employees: Child Care; Aged Care; Social Programmes					
Job Level	Year -1	Year 0			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3					
4 - 6	1	1	1	0	0%
7 - 9	2	2	2	0	0%
10 - 12					
13 - 15					
16 - 18					
19 - 20					
Total	3	3	3	0	0%
<i>There is manager at post level four and two co-ordinators at post level 8. Co-ordinator one: deals with OVC, youth & HIV & AIDS, the other one deals with elderly, disabled & women affairs.</i>					T
3.56.4					

Chapter 3

COMPONENT E: ENVIRONMENTAL PROTECTION

This component includes: pollution control; biodiversity and landscape; and costal protection.

INTRODUCTION TO ENVIRONMENTAL PROTECTION

The Ntabankulu Local Municipality has engaged on Umzimvubu catchment partnership program with the aim to coordinate and respond to climate change issues. The Alfred Nzo district municipality in partnership with other local municipalities under the district and Ntabankulu local municipality reviewed the ANDM climate change response strategy. The municipality has a huge backlog on water provision for communities, thus the continuous growth of the alien species may lead to total disappearance of the limited water sources.

The Alfred Nzo District Municipality is battling to find sources of water for various communities. The backlog in water provisioning has led to conflicts in some villages with people cutting bypassing water pipes going to other villages sitting water shortages in their own village.

These invasive alien species also temper with the limited grazing areas for the local livestock. It is of great concern that the continuous growth of these alien species, if not taken care of, might take over the entire land area of Ntabankulu Municipality. It is imperative that clearing of alien invasive plants must be prioritised if water resource is to be protected. Plans are afoot to conduct a climate change summit with the aim to develop a climate change adaptation strategy.

T3.59.0

Chapter 3

Employees: Pollution Control					
Job Level	Year -1	Year 0			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3					
4 - 6					
7 - 9					
10 - 12					
13 - 15					
16 - 18					
19 - 20					
Total					
<i>Ntabankulu Local Municipality does not carry that function.</i> T 3.15.4					

Chapter 3

3.60 BIO-DIVERSITY; LANDSCAPE (INCL. OPEN SPACES); AND OTHER (EG. COASTAL PROTECTION)

INTRODUCTION BIO-DIVERSITY AND LANDSCAPE

The Ntabankulu local municipality has been funded by the Department of Environmental Affairs for the beautification of the urban area. The project has established three flower gardens with street furniture in identified areas; these flower gardens will serve as mini recreational parks. The project also ensured that the entry points in town are beautified by tree planting. Beautification of illegal dumping zones into green open spaces has been done also.

T3.60.1

Chapter 3

Bio-Diversity; Landscape and Other Policy Objectives Taken From IDP									
Service Objectives Service Indicators (i)	Outline Service Targets (ii)	Year -1		Year 0			Year 1	Year 3	
		Target	Actual	Target	Actual		Target		
		*Previous Year (iii)	(iv)	*Previous Year (v)	*Current Year (vi)	(vii)	*Current Year (viii)	*Current Year (ix)	*Following Year (x)
Service Objective xxx									
Effective management of public amenities by implementing the regulatory framework by 2017	Review ,Implement, monitor and report on I implementation of regulatory framework by June	Coordinate the implementation of beautification project in ward 9 (urban area)by 30 June 2015	Implement, monitor, report and review the implementation of the public amenities plan	Coordinate the implementation of beautification project in ward 9 (urban area)by 30 June 2015	Implement, monitor, report and review the implementation of the public amenities plan	Implement, monitor, report and review the implementation of the public amenities plan	Implement, monitor, report and review the implementation of the public amenities plan		
Note: This statement should include no more than the top four priority service objectives. The indicators and targets specified above (columns (i) and (iii)) must be incorporated in the indicator set for each municipality to which they apply. These are 'universal municipal indicators'. * 'Previous Year' refers to the targets that were set in the Year -1 Budget/IDP round; *'Current Year' refers to the targets set in the Year 0 Budget/IDP round. *'Following Year' refers to the targets set in the Year 1 Budget/IDP round. Note that all targets in the IDP must be fundable within approved budget provision. MSA 2000 chapter 5 sets out the purpose and character of Integrated Development Plans (IDPs) and chapter 6 sets out the requirements for the reduction of performance management arrangement by municipalities in which IDPs play a key role.									

T 3.16.3

T 3.16.3

The project implementer assigned by the Department of Environmental Affairs for the funded project on street cleaning and beautification has completed with the deliverables as stipulated in the plan. The project had been funded with an amount of R5m. Outlined below are the project deliverables as per the project plan:

Chapter 3

-Flower garden situated in the town entrance had been fenced; tree and flowers planted, street furniture, water tank and braai stands installed and other infrastructural material had been installed.

-Flower garden next to Caltex garage had been fenced, tree and flowers planted, stand pipe and braai stands installed

-Flower garden next to Nofy's accommodation: tree and flowers planted, braai stands and handmade furniture had been installed

-Beautification of town entrances and tree planting along the walkways had been completed

T3.60.7

Chapter 3

COMPONENT F: HEALTH

3.64 HEALTH INSPECTION; FOOD AND ABBATOIR LICENSING AND INSPECTION; ETC

COMPONENT G: SECURITY AND SAFETY

This component includes: police; fire; disaster management, licensing and control of animals, and control of public nuisances, etc.

INTRODUCTION TO SECURITY & SAFETY

Traffic enforcement has been prioritised by the municipality and the traffic law enforcement unit is fully operational. Driving Licence Testing Centre is also operational and is currently conducting applications for Professional Driving Permits, renewal of driving licences, applications and issuing of learners licences to enhance municipal revenue. The municipality has improved the resourcing of the traffic unit through the provision of the speed camera and two motor vehicles. The municipality is currently completing the Driving licence testing grounds.

The municipality has a fully-fledged, well equipped security unit and has implemented security procedures .The outsourced security has been appointed to reinforce the security unit. Furthermore a fun run program had been coordinated.

T3.65

3.65

Chapter 3

3.66 FIRE

INTRODUCTION TO FIRE SERVICES

Ntabankulu Local Municipality does not perform the function of fire services; this function is for the Alfred Nzo District Municipality. There is a satellite office in Ntabankulu.

T3.66.1

Chapter 3

COMPONENT H: SPORT AND RECREATION

This component includes: community parks; sports fields; sports halls; stadiums; swimming pools; and camp sites.

INTRODUCTION TO SPORT AND RECREATION

The municipality has focused on facilitating organised sports and recreation within the jurisdiction of Ntabankulu where nine football associations were established and capacitated on sports and recreation management DSRAC.

The municipality further facilitated the sport and recreation session with the objective of developing an integrated sports and recreation plan, guidelines on provision of support to associations. The municipality facilitated the establishment of netball associations and further facilitated the implementation of an annual sport plan. The municipality coordinated the Mayoral cup games in Ntabankulu that have been initiated at ward level to elimination stages and then to the final games.

T3.68.0

3.68 SPORT AND RECREATION

SERVICE STATISTICS FOR SPORT AND RECREATION

T3.68.1

Chapter 3

Sport and Recreation Policy Objectives Taken From IDP									
Service Objectives	Outline Service Targets	Year 0		Year 1		Year 2	Year 3		
		Target	Actual	Target	Actual		Target		
		*Previous Year		*Previous Year	*Current Year		*Current Year	*Current Year	*Following Year
Service Indicators									
(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)	(viii)	(ix)	(x)
Service Objective xxx									
To promote community participation in organized sport and recreation, targeting youth, women, elderly and physically challenged people	To ensure implementation of the Integrated annual sports plan for professional functioning of sports associations by 2017	Develop and implement integrated local annual sports and recreation plan	Develop and implement integrated local annual sports and recreation plan	Develop and implement integrated local annual sports and recreation plan	Develop and implement integrated local annual sports and recreation plan	Develop and implement integrated local annual sports and recreation plan	Develop and implement integrated local annual sports and recreation plan	Develop and implement integrated local annual sports and recreation plan	
<p>Note: This statement should include no more than the top four priority service objectives. The indicators and targets specified above (columns (i) and (ii)) must be incorporated in the indicator set for each municipality to which they apply. These are 'universal municipal indicators'. * 'Previous Year' refers to the targets that were set in the Year -1 Budget/IDP round; * 'Current Year' refers to the targets set in the Year 0 Budget/IDP round. * 'Following Year' refers to the targets set in the Year 1 Budget/IDP round. Note that all targets in the IDP must be fundable within approved budget provision. MSA 2000 chapter 5 sets out the purpose and character of Integrated Development Plans (IDPs) and chapter 6 sets out the requirements for the reduction of performance management arrangement by municipalities in which IDPs play a key role.</p>									

T
3.23.2

Chapter 3

Employees: Sport and Recreation					
Job Level	Year -1	Year 0			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
Not Applicable		T 3.23.3			

COMMENT ON THE PERFORMANCE OF SPORT AND RECREATION OVERALL:

The municipality has conducted the programs as outlined below:

- Group stages
- Elimination stages
- Quarter finals
- Fun run program
- Mayor cup game (finals)

The municipality reviewed an integrated annual sport plan and sport bodies and association were established.

T3.68.6

Chapter 3

COMPONENT I: CORPORATE POLICY OFFICES AND OTHER SERVICES

This component includes: corporate policy offices, financial services, human resource services, ICT services, property services.

The Municipality has Budget and Treasury Office is responsible for municipal financial management in terms of revenue and expenditure management, procurements of goods & services and safeguarding of Municipal assets. The Municipal Council approved both the draft and annual budget in terms of the National Treasury guideline, circulars and the MFMA. The Municipality has been spending in line with approved budget and adjustment budget is submitted to the Council when there is overspending to avoid the authorised expenditure. The Financial monthly, quarterly and annual reports were prepared and submitted to the Council, Provincial and National Treasury and to the office of the Auditor General. The Municipality prepared quarterly financial statements and the half year financials were submitted to AG for auditing. The Municipal asset register is updated and maintained monthly.

3.69 EXECUTIVE AND COUNCIL

This component includes: Executive office (mayor; councilors; and municipal manager).

INTRODUCTION TO EXECUTIVE AND COUNCIL

The Ntabankulu local municipality in its capacity has 36 councillors and 07 traditional leaders. Out of these 36 councillors, 07 councillors form part of the Section 80 executive committee which is chaired by the Mayor Councillor V. Mgoduka .

The municipality inculcated culture for accountability among its staff, Councilors, Traditional Leaders for public accountability. In the staff establishment of the Municipality there is Public Participation and Council Support Division which is attached under the Office of the Speaker and administratively reports to the Community Services Director.

Also the Municipality has established Committees such as Section 79, Municipal Public Accounts Committee chaired by Councillor B.Z. Ndamase, Public Participation and Partitions Committee chaired by councillor S. Sophaqa. Rules, Ethics and Members Interest Committee chaired by Councillor V. Matwasa. These committees sit quarterly for Institutional compliance and reporting. These Council Committees are composed of Councilors, Senior Managers, Traditional Leaders. These forums share information of departments and the community at large within the Municipality.

T3.69.1

Chapter 3

The Executive and Council Policy Objectives Taken From IDP									
Service Objectives <i>Service Indicators</i> (i)	Outline Service Targets (ii)	Year -1		Year 0			Year 1	Year 3	
		Target	Actual	Target	Actual		Target		
		*Previous Year (iii)	(iv)	*Previous Year (v)	*Current Year (vi)	(vii)	*Current Year (viii)	*Current Year (ix)	*Following Year (x)
Service Objective xxx									
To strengthen the oversight functioning of the council	Coordinate council sittings to adhere to legislative prescripts	Provision of effective administrative support to the council and its committees	Provision of effective administrative support to the council and its committees	Provision of effective administrative support to the council and its committees	Convene 04 Council sittings adhering to legislative prescripts	Convene 04 Council sittings adhering to legislative prescripts	Convene 04 Council sittings adhering to legislative prescripts		
<p><i>Note: This statement should include no more than the top four priority service objectives. The indicators and targets specified above (columns (i) and (iii)) must be incorporated in the indicator set for each municipality to which they apply. These are 'universal municipal indicators'. * 'Previous Year' refers to the targets that were set in the Year -1 Budget/IDP round; * 'Current Year' refers to the targets set in the Year 0 Budget/IDP round. * 'Following Year' refers to the targets set in the Year 1 Budget/IDP round. Note that all targets in the IDP must be fundable within approved budget provision. MSA 2000 chapter 5 sets out the purpose and character of Integrated Development Plans (IDPs) and chapter 6 sets out the requirements for the reduction of performance management arrangement by municipalities in which IDPs play a key role.</i></p>									

T 3.24.3

T3.24.3

Chapter 3

Employees: The Executive and Council					
Job Level	Year -1	Year 0			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3					
4 - 6	4	5	4	1	20%
7 - 9	4	4	4	0	0
10 - 12					
13 - 15					
16 - 18					
19 - 20					
Total	8	9	8	1	11%
<p><i>The Executive P.A. to the Madam Speaker was transferred to the PMS officer position; the Manager Public Participation & Council Support Manager was added to the organogram.</i></p> <p style="text-align: right;">T 3.24.4</p>					

Chapter 3

3.70 FINANCIAL SERVICES

INTRODUCTION FINANCIAL SERVICES

The Municipality has Budget and Treasury Office which is responsible for municipal finances, procurements and safeguarding of assets. The Municipal Council approved both the draft and annual budget in terms of the National Treasury guidelines and the MFMA. The Municipality has been spending in line with approved budget.

The Financial monthly, quarterly and annual reports were prepared and submitted to the Council, Provincial and National Treasury and to the office of the Auditor General. The Municipal assets register is updated and maintained monthly. The risk register has been developed and updated on a monthly basis. The progress report on risk is a standing item on executive and Audit Committee meeting.

T3.70.1

The proportion of account value billed is calculated by taking the total value of the year's revenues collected against the bills raised in the year by the year's billed revenues.

T3.70.2.1

Chapter 3

Employees: Financial Services					
Job Level	Year -1	Year 0			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	1	1	1	0	0
4 - 6	10	10	7	1	0
7 - 9	7	9	5	2	22%
10 - 12					
13 - 15					
16 - 18	3	4	4	4	25%
19 - 20					
Total	21	24	17	7	12.5%
There are 4 Interns that are employed by the National Treasury, four trainees by LGSETA and one by Services SETA. the T 3.25.4					

Financial Performance Year 0: Financial Services					
Details	Year -1	Year 0			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	18 416 210.00	25 279 323.00	26 629 734.00	22 202 628.00	0.14
Expenditure:					
Employees	4 115 798.00	4 797 803.00	4 797 803.00	5 185 519	0.06
Repairs and Maintenance	169 818.00	350 000.00	181 987.00	163 894.00	1.14
Other	14 130 594.00	20 131 520.00	21 649 944.00	17 523 226.00	0.15
Total Operational Expenditure	18 416 210.00	25 279 323.00	26 629 734.00	22 202 628.00	0.14
Net Operational Expenditure	-	-	-	-	-

Chapter 3

COMMENT ON THE PERFORMANCE OF FINANCIAL SERVICES OVERALL:

The Finance Department has prioritized Indigent subsidy as one of the Major projects, of which 5 581 beneficiaries receive alternative energy in the form of paraffin, and 365 beneficiaries receive 50klwts of electricity.

Further we have prioritized the procurement of Municipal vehicles for administrative purposes and the financial management so as to address the queries of the auditor general and improve the audit report, the revenue enhancement strategy was also priorities. The projects expenditure indicated was within the budget; however the variation order for the revenue enhancement strategy was approved by the Council

T3.70.7

3.71 HUMAN RESOURCE SERVICES

INTRODUCTION TO HUMAN RESOURCE SERVICES

Human Resourced is the division within the Corporate Services Directorate responsible to provide strategic support to the Municipality through coordination and provisions of the functions enshrined in the Municipal Systems Act No 32 of 2000 as amended, Labour Relations Act No 66 of 1995, Employment Equity Act No 55 of 1998 and Basic Conditions of Act 75 of 1997 & Occupational Health and Safety Act 85 of 1993.

Brief Overview of the Human Resource Function are as follows:

Organisational Design, Recruitment and Selection

This function deals with analysis and identification of functions to be executed by employees (Job descriptions) and development and review of the organogram. This division coordinate the recruitment, selection, appointment process and induction process. The purpose of this function is to ensure that the Municipality has human capital to perform tasks in order to achieve strategic goals of the Municipality and provide services to the Communities.

Labour Relations Function

Promote employee discipline, health and sound working environment. Local Labour Forums are coordinated in this unit to give a platform both employer and employee to discuss employee relations. Monitoring implementation of code of conduct and conditions of service.

Training & Development

Provides skills and education to impact knowledge to the workforce, thus enhance competencies and allow career path in order to increase productivity of Councillors and employees.

Individual Performance Management System

Responsible to monitor and evaluate individual performance

Chapter 3

Occupational Health and safety

Responsible to ensure sound working environment

Employment Equity

It promotes opportunities and fair treatment in employment through elimination of unfair discrimination in the workplace. Ensure fair representation of the designated groups in all occupational categories.

Measures Taken to Improve Performance

The Municipality develops training plan for each financial year to capacitate employees. On job trainings are conducted. During the quarterly assessments employees develop their personal development plan to focus on areas that needs attention in terms of their skills so as to improve performance. Other neighbouring Municipalities are engaged to do skills transfer e.g. implementation of PMS to all employees. CoGTA is also engaged to assist in our planning sessions so as to be able to develop SMART targets.

T3.71.1

Chapter 3

Human Resource Services Policy Objectives Taken From IDP									
Service Objectives	Outline Service Targets	Year -1		Year 0		Year 1	Year 3		
		Target	Actual	Target		Actual	Target		
		*Previous Year		*Previous Year	*Current Year		*Current Year	*Current Year	*Following Year
Service Indicators		(iii)	(iv)	(v)	(vi)	(vii)	(viii)	(ix)	(x)
Service Objective xxx									
Human resource manual in December 2013 and adopted by the Council in February 2014, implementation and monitoring of compliance is done to all employees. Reports are compiled monthly on adherence to code of conduct in terms of leaves, working hours. An	Firstly there is gap analysis, consultation, consolidate inputs, table to Exco and to Council for adoption.	Develop, review, implement & monitor compliance of human resource policies by June 2014	HR policies were reviewed and submitted to the Council for approval.	Develop, review, implement & monitor compliance of human resource policies by June 2014	Implement 2014/15 Human Resource policies by conducting 2 workshops and producing progress report on Retention Strategies by June 2015 and review of the 2015/16	17 HR policies are reviewed & adopted.	Develop, review and implement HR policies.	Provision of legal assistance in development and review of twelve Municipal policies and 12 Municipal by-laws in line with the relevant legislations by June 2016.	Provision of legal assistance in development and review of twelve Municipal policies and 12 Municipal by-laws in line with the relevant legislations by June 2017.

Chapter 3

HR plan has been developed and adopted by the Council in February 2014.

Annual development & review of HR policies when necessary. They are tabled to council for adoption/approval.

T3.71.3

Chapter 3

Employees: Human Resource Services					
Job Level	Year -1	Year 0			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3					
4 - 6	4	4	4	0	0%
7 - 9					
10 - 12					
13 - 15					
16 - 18					
19 - 20					
Total	4	4	4	0	0%

There are two trainees placed by the LGSETA WIL programme.
T3.26.4

Financial Performance Year 0: Human Resource Services					
					R'000
Details	Year -1	Year 0			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	704 667	1 359 591	1 359 591	1 319 048	0
Expenditure:					
Employees	544 667	1 079 591	1 079 591	1 079 591	0
Repairs and Maintenance	0	0	0	0	
Other	160 000	280 000	280 000	239 457	9
Total Operational Expenditure	704 667	1 359 591	1 359 591	1 319 048	0
Net Operational Expenditure	-	-	-	-	0%

Chapter 3

3.72 INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES

This component includes: Information and Communication Technology (ICT) services.

INTRODUCTION TO INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES

Render and co-ordinate Management Information Systems (MIS) and Information Communication Technology (ICT)

- Provide centralised data-processing services;
- Co-ordinate Information -Management Systems, data management & ICT requirements and maintenance;
- Facilitate implementation of the municipality's MIS Strategy.
- ICT infrastructure and information security: ICT infrastructure upgrade has already been done i.e server room upgrade, cabling upgrade, Wi-fi installation and configuration, switches supply and installation, UPS has been installed in the server room and active directory server was installed and configured.
- Website management: Municipality website was redesigned and is currently functioning.
- Telephone Management: Telephone monitoring system is installed, reports produced on a monthly basis.
- ICT governance: ICT policy, ICT procedure manual, Draft risk framework, DRP and BCP plan, change management document are available and in use.
- Challenges: Lack of budget, office space& incapacitation of staff.
- More budgets for ICT section, the Municipality has requested funding from DPSA, COGTA & Department of Communications.

T3.72.1

Chapter 3

ICT Services Policy Objectives Taken From IDP									
Service Objectives	Outline Service Targets	Year -1		Year 0			Year 1	Year 3	
		Target	Actual	Target		Actual	Target		
		*Previous Year		*Previous Year	*Current Year		*Current Year	*Current Year	*Following Year
Service Indicators									
(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)	(viii)	(ix)	(x)
Service Objective xxx									
ICT Policies in December 2013 and adopted by the Council in February 2014, implementation and monitoring of compliance is done to all employees and taken to council for adoption.	Identification and analysis of policy gaps, consultation, consolidate inputs, table to Exco and to Council for adoption.	Develop, review, implement & monitor compliance of ICT policies by June 2014	ICT policies were reviewed and submitted to the Council for approval.	Develop, review, Implement & monitor compliance of ICT policies by June 2014	Implement 2014/15 Human Resource policies by conducting 2 workshops and producing progress report on Retention Strategies by June 2015 and review of the 2015/16	02 ICT policies are reviewed & adopted.	Develop, review and implement ICT policies.	Provision of legal assistance in development and review of 02 Municipal policies	Provision of legal assistance in development and review of two Municipal policies by June 2017.
Annual development & review of ICT policies when necessary. They are tabled to council for adoption/approval.									

T 3.27.3

Chapter 3

Job Level	Year -1	Year 0			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3					
4 - 6	1	1	1	0	
7 - 9	1	3	2	1	
10 - 12					
13 - 15					
16 - 18					
19 - 20					
Total	2	4	3	1	25%

There is also one trainee appointed by the LGSETA, there is a lack of office space.

T3.27.4

Financial Performance Year 0: ICT					
R'000					
Details	Year -1	Year 0			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	798 482	1 516 384	1 516 384	1 212 644	20
Expenditure:					
Employees	474 478	721 384.42	721 384.42	721 384.42	-
Repairs and Maintenance	0	0	0	0	-
Other	325 004	795 000	795 000	491 260	38
Total Operational Expenditure	798 482	1 516 384	1 516 384	1 212 644	20
Net Operational Expenditure	-	-	-	-	-

ICT Infrastructure has been improved: Server room upgraded, all the switches have been changed, cabinets replaced, 42 network points installed, Wi-Fi technology installed and configured, active directory server installed and configured, UPS supplied and installed in the server room and cabling standards upgraded from CAT 5 to CAT 6.

Chapter 3

Systems in place: Cibecs backup systems, municipal website, VIP Payroll systems, Pastel financial system, sms system.

ICT Infrastructure has been improved: Server room upgraded, all the switches have been changed, cabinets replaced, 42 network points installed, Wi-Fi technology installed and configured, active directory server installed and configured, UPS supplied and installed in the server room and cabling standards upgraded from CAT 5 to CAT 6.

Systems in place: Cibecs backup systems, municipal website, VIP Payroll systems, Pastel financial system, sms system.

T3.72.7

3.73 PROPERTY; LEGAL; RISK MANAGEMENT AND PROCUREMENT SERVICES

This component includes: property; legal; risk management and procurement services.

INTRODUCTION TO PROPERTY; LEGAL; RISK MANAGEMENT AND PROCUREMENT SERVICES

In the Ntabankulu Local Municipality staff establishment, the municipality has a legal services unit under the office of the Municipal Manager. There was One Official responsible management of legal services functionality through the provision of legal advice on strategic pro-active and reactive basis through the application of knowledge of relevant legislation, statutes, and ordinances and by laws.

Providing practical recommendations and solutions, examining and reviewing current legal strategies to address awareness and relationships. Coordinating and implementing legal interventions and initiatives, providing advice and guidance on the development of effective professional and sustainable legal approaches.

Conducting research on legal case studies and legal precedents to manage legal implications and risks. He was also assisting the Municipality in attending all litigations for and against the Municipality and assign lawyers on the approval by the Municipal Manager to represent the Institution on matters that needs to be attended to.

The risk Management function is attached to the Municipal Manager's office. The Strategic & Operational Risk Register for the financial year 2015/2016 was developed. Each directorate has a risk champion which liaises with Internal Audit who is also a risk champion for the institution. The risk registers are monitored through monthly reports and reviewed by Internal Audit on a quarterly basis who then reports to the Audit Committee on the progress.

T3.73.1

Chapter 3

Property, Legal, Risk Management, and Procurement Services Policy Objectives Taken From IDP									
Service Objectives Service Indicators (i)	Outline Service Targets (ii)	Year -1		Year 0		Year 1	Year 3		
		Target	Actual	Target		Actual	Target		
		*Previous Year (iii)	(iv)	*Previous Year (v)	*Current Year (vi)	(vii)	*Current Year (viii)	*Current Year (ix)	*Following Year (x)
Service Objective xxx									
To ensure compliance with Municipal legislative prescripts, policies, by laws b	Provision of legal assistance on development and review of 12 municipal policies and 12 Municipal by-laws in line with the relevant legislations by June 2016	Review, enforce and assist in monitoring, promulgate and enforce municipal by laws and policies by 30 June 2014	Reviewed, enforced and monitored policies	Review, enforce and monitoring, promulgate and enforce municipal by laws and policies by 30 June 2013	Review, enforce and assist in monitoring, promulgate and enforce municipal by laws and policies by 30 June 2014	17 policies reviewed and enforced	Reviewed policies, Sector plans	NA	NA
To mitigate potential Risk by 2017	To develop strategic risk, operational risk and mitigate risk by 10% by June 2016	Implementation of risk register	Implemented risk register	Implementation of risk register	Implementation of risk register	50% mitigated risks	60% mitigated risk	NA	NA
Note: This statement should include no more than the top four priority service objectives. The indicators and targets specified above (columns (i) and (ii)) must be incorporated in the indicator set for each municipality to which they apply. These are 'universal municipal indicators'. * 'Previous Year' refers to the targets that were set in the Year 0 Budget/IDP round; * 'Current Year' refers to the targets set in the Year 1 Budget/IDP round. * 'Following Year' refers to the targets set in the Year 2 Budget/IDP round. Note that all targets in the IDP must be fundable within approved budget provision. MSA 2000 chapter 5									

T 3.28.3

Chapter 3

sets out the purpose and character of Integrated Development Plans (IDPs) and chapter 6 sets out the requirements for the reduction of performance management arrangement by municipalities in which IDPs play a key role.

Chapter 3

Employees: Property; Legal; Risk Management; and Procurement Services					
Job Level	Year -1 Employees	Posts	Year 0 Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	1	1	0	1	0
4 - 6	1	1	0	0	0
7 - 9					
10 - 12					
13 - 15					
16 - 18					
19 - 20					
Total	2	2	0	1	0%
The Municipality has a Legal Intern. T 3.28.4					

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Financial Performance Year 0: Legal and Procurement Services					
R'000					
Details	Year -1	Year 0			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	849 178	1 144 432	1 394 432	1 528 552	0.25
Expenditure:					
Employees	572 662	894 432	894 432	894 432	-
Repairs and Maintenance	-	-	-	-	-
Other	276 516	250 000	500 000	634 120	0.61
Total Operational Expenditure	849 178	1 144 432	1 394 432	1 528 552	0.25
Net Operational Expenditure	-	-	-	-	-
Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.					T 3.28.5

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COMPONENT J: MISCELLANEOUS

This component includes: the provision of Airports, Abattoirs, and Forestry as municipal enterprises.

INTRODUCTION TO MISCELLANEOUS

The Municipality does not have airports and abattoirs and forestry is covered under Local Economic Development.

T3.74.0

COMPONENT K: ORGANISATIONAL PERFORMANCE SCORECARD

This component includes: Annual Performance Scorecard Report for the current year.

Ntabankulu Local Municipality Annual Performance Report for the financial year 2015/2016

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OFFICE OF THE MUNICIPAL MANAGER ANNUAL PERFORMANCE REPORT 2015/2016

Support d KPA	Priori ty Area	IDP Objec tives	Obj ecti ve nu mb er	IDP Strateg ies	Baseline on the date of review (January 2015)	Indicato r	Measur ement Source	Budget Amount	Fund ing Source	Annual Target	Achieved or not achieved	Comment for achievemen t	Reason for non- achieve ment	Corrective measure	POE	Expenditu re
Basic Service Delivery	Roads and storm water construction and maintenance	To improve accessibility and mobility of community members through construction of	BSO 1	To construct road infrastructure as identified in the three year capital plan.	120 km of gravel access roads had been constructed.	Number of Road kilometres and bridges completed	Quarterly progress reports	R3 475 060,10	MIG	Complete construction of 6 km gravel access road connecting Luganga tho to Mpoza villages in ward 04 by June 2016	Achieved	The project is complete and currently on defects liability period	N/A	N/A	Practical Completion Cert.	R 3 089 229,22

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		kms new access roads with Storm water and 6 bridges by June 2017				Quarterly progress reports	R3 740 777,22	MIG	Complete construction of 7.5km gravel access road connecting Dinwayo to Dunusweni in ward 03 by June 2016	Achieved	The project is complete and currently on defects liability period	N/A	N/A	Practical Completion Cert.	R 3 376 380,63
						Quarterly progress reports	R800,000	PT	Complete construction of 1 km gravel access road for Qhipu village in ward 9 by June 2016	Achieved	The project is complete and currently on defects liability period	N/A	N/A	Practical Completion Cert.	R 617 088,38

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							Quarterly progress reports	R1 2m	PT	Complete construction of 2 km gravel access road for Mafinyela village in ward 14 by June 2016	Achieved	The project is complete and currently on defects liability period	N/A	N/A	Practical Completion Cert.	R 1 075 489,44
							Quarterly progress reports	Nil	PT	planning for construction of 7km gravel access road for Buntshentshe village in ward 10 by June 2016	Not Achieved	N/A	construction of the project was removed from the sdbip due to financial constraints and the tendering stage was planned for quarter 4 2015/16 so that the project will commence	The construction of the project will be budgeted next financial year.	N/A	Nil

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										nce in the next financial year.						
										N/A	Engineers discovered underground water which resulted for additional funding of the project and The application process for additional funding is on progress	To do follow up on the approved additional funding.	project progress report	R 26 498 072,77		

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							Monthly progress reports	R150,000.00	PT	Complete feasibility study for construction of Bhayi to Ntlanga no access road in ward 1 by June 2016	Achieved	Feasibilities studies have been done	N/A	N/A	Feasibility study report.	R 150 000
							Quarterly progress reports	R2 825 007,21	MIG	Complete construction of 7 km gravel access road at Buhlambo village in ward 17 by June 2016	Achieved	The project is complete and currently on defects liability period	N/A	N/A	Practical Completion Cert.	R 2 902 132,98
	Electrification of households	To increase the number of households with access to	8503	Provision of grid electricity to households in line with the	7208 Households have access to Electricity	Number of households electrified	Quarterly progress reports on INEP expenditure & electrified households	R8 750 000	INEP	350 households Marhamzeni village in ward 16 energised by	Not Achieved	N/A	disagreements between traditional leaders of Luncedweni	The municipality is still negotiating with the traditional leaders of the affected community	Minutes of the site meeting, Attendance registers and progress	R 39 426 169,52

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electrify to 12199 house holds by June 2017	municipality's electrification plan.		ids			June 2016			and Maramzeni village, such that the project cannot be switched on until the matter has been resolved	ies	report
			Quarterly progress reports on INEP expenditure & electrified households	R9m	INEP	360 households connected at Mthukazi village in ward 03 by June 2016	Not Achieved	N/A	Late delivery of material	Municipality to ensure sitting of technical and site meetings to fast track the progress of the project	Minutes of the site meeting , Attendance registers and progress report
			Quarterly progress reports on INEP expenditure & electrified households	R10m	INEP	220 households at Tsita village in ward 12 connected by June 2016	Achieved	N/A	Tsita village has been connected and energised.	N/A	Minutes of the site meeting , Attendance registers and progress report

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										Upgrade electricity supply at municipal premises(ERF85) BY June 2016	Not Achieved	N/A	Service provider has been appointed and electricity upgrade currently underway	To ensure monitoring of the service provider to adhere to the agreed time frames	N/A	Nil
				Provision of street lights and high masts	5 Existing High Masts , 34 Street and Eskom Lights in the urban area	Number of high masts & street light installed	Reports on installed street lights and project scope and funding model for construction of high masts identified	R2,5m	ES	2 high masts and 20 street lights installed by June 2016	Not Achieved	N/A	Late appointment of service provider	To ensure monitoring of the service provider to adhere to the agreed time frames	N/A	Nil
Basic Service Delivery	Community Facilities	To ensure community access to social infrastructure	8505	To construct and upgrade community facilities in line with	11 available sport fields need upgrading , 20 Community Halls need	7 completed public amenities	Quarterly progress reports on construction of sport field	R 6 701 428,29	MIG	Complete construction of Ntabankulu Sport Field in the urban	Not Achieved	N/A	Contract was terminated due to poor performance by the service provider	The municipality is in process of appointing a new service provider	Practical Completion Cert.	R 1 651 051,38

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	re by June 2017		the three year capital plan	maintenan ce,1 Pound and 3 pre- schools . 1 communit y hall under constructi on and 1 sport field are under upgrade in the current financial year.				area ward 9 by June 2016			appoint ed			
					Monthly reports on construc tion of pre- schools	R 1,2m	PT	Comple e construc tion of two Pre- schools at Xhopo ward 2 and Mpoza ward 4 by June 2016	Not Achieved	N/A	The project could not be complet ed due to water scarcity , late appoint ment of service provider s and bad terrain @ xhopho	The municipali ty has requested service providers to submit revised program and applicatio n letters for extension of time	Practical Comple tion Cert.	R 839 042,91
					Monthly progress reports on upgrad ing of four commu nity halls	R 1,2m	PT	Four commu nity halls in wards 8,18,13 & 5 upgrade d by June 2016	Not Achieved	N/A	Sdakeni Communi ty hall is complet e, Zola commu nity hall is still under renovati on due	The municipali ty has requested service providers to submit revised program and applicatio n letters	Monthly progress report on upgrad ing of four commu nity halls	R 1 190 763,42

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							Monthly progress reports	R 1,5m	PT	Complete construction of 12 units of ablution facilities in Ntabankulu town (ward 9) by June 2016	Not Achieved	N/A	Late appointment of service provider	To ensure monitoring of the service provider to adhere to the agreed time frames	Monthly project progress report	R 538 470,40
Basic Service Delivery	Expenditure Management	To improve accessibility and mobility of community members through construction of 190 kms new access roads with Storm	BSO 1	To ensure improved project management	Approved budget for MIG	Improved percentage expenditure	Quarterly expenditure reports	R 26m	MIG	100% expenditure on MIG by 30 June 2016	Achieved	MIG allocation is fully spent, MIG allocation : 26,395,000,00 Expenditure as @ 30th June 2016 : R 26,439,122,37 perc expenditure : 100%	n/a	n/a	Expenditure reports with proof of submission	R 26,439,122,37
					Approved budget for INEP		Quarterly expenditure reports	R30m	INEP	100% INEP expenditure by 30 March 2016	Achieved	INEP allocation is fully spent, INEP allocation : R 30,000,000,00 additional	n/a	n/a	Expenditure reports	R 39,426,169,52

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		water and 6 bridges by June 2017										funding R9 400 000 Expenditure as @ 30 June 2016 : R 39,426,169, 52 perc expenditure : 100%				
					MIG Expenditure is @ 61,08% expenditure and INEP is @90,84% expenditure		Quarterly progress reports	N/A	N/A	Improve planning through monitoring and evaluation of MIG, INEP and PT projects by June 2016	Not Achieved	n/a	Late appointment of service providers on MIG projects and late delivery of material on INEP projects	To ensure monitoring of the service provider to adhere to the agreed time frames	N/A	N/A
					N/A		Quarterly progress reports	N/A	E/S	To maximise community	Achieved	Non-financial information on MIG	n/a	n/a	Community meetings for	N/A

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										nity particip ation through reportin g non- financial informa tion in all MIG projects by June 2016		projects reported to Cogta for all quarters			projects inception, PSC training s, identific ation of training needs to be aligned with the project implem entation in areas where projects will be implem ented and prepara tion of non- financial reports.	
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GG	Public Participation	To promote effective participation of stakeholders in the affairs of governance by 2017	GG 01	Coordination of IGR forum sittings in compliance with its terms of reference	Four IGR meetings convened in the financial year 2014/15, Approved IGR terms of reference two IGR forum meetings convened for 2015/16	4 IGR Forum meetings convened	Quarterly reports on IGR functioning	R1,9M	Equitable Share	4 IGR forum meetings coordinated in line with terms of reference by June 2016	Not Achieved	N/A	3 IGR Forum sat for the financial year, 29 September 2015, 19 November 2016 and 22 February 2016. 1 IGR Forum for the fourth quarter was cancelled due to operational commitments.	Compliance with IGR Terms of Reference and IDP/Budget Process Plan	Invitations Attendance Register IGR Reports IGR Terms of reference	
GG	Strategic Planning - IDP	To ensure availability of credible and implementable IDP to guide municipal	GG 03	Develop, adopt and implement process plan Review IDP 2016/2017	Adopted 2015/2017 IDP. Process plan adopted for 2016/17 review. And situational analysis updated.	Adopted credible IDP 2016/2017	Quarterly progress reports on the IDP Process Plan implementation		Equitable Share	Co-ordinate review and Adoption of the IDP by June 2016	Achieved	The IDP was reviewed and adopted by council on the 27 May 2016.	N/A	N/A	Council Resolution of the IDP and Advert, IDP 2016/2017	

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		processes for 2013-2017														
GG	PMS	To monitor, measure and evaluate institutional performance by June 2017	GG 04	Timely signing of performance contracts and agreements by directors, managers and officers	2015/2016 signed performance agreements of directors, Managers and officers	Number of signed performance agreements for directors, Managers and Officers	Quarterly progress reports	R200,000.00	Equitable Share	Co-ordinate signing of 2015/2016 Performance agreements for Directors, Managers and Officers by June 2016	Achieved	2015/2016 Performance agreements were signed by Directors Managers and Officers	N/A	N/A	Report on signed 2015/2016 performance agreements by directors, managers and officers	N/A

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				Monitor, evaluate and measure performance	1st Quarter performance evaluation report for 2015/2016	Annual Institutional Performance Evaluation reports and Individual Performance evaluation reports	Quarterly performance reports		Equitable Share	Coordinate analysis of institutional performance (Monthly, Quarterly, Midterm and annual) by June 2016	Achieved	The Monthly, Quarterly and Midterm & annual performance Reports were analysed and consolidated.	N/A	N/A	Monthly, Quarterly and Midterm performance Reports.	Nil
				preparation of the annual report in line with MFMA circular 63	Annual report 2014/2015 submitted to council for noting and AGSA for auditing	Adopted annual report with oversight	Quarterly reports on development of the annual report	R 0.00	ES	Development of the annual report 2014/2015 in line with MFMA by June 2016	Achieved	The Annual Report 2014/2015 was developed and submitted to council for adoption and NT, PT, AGSA, CoGTA & to Provincial Legislature	N/A	N/A	Annual report 2014/2015, Council resolution number, Advert, Delivery note	

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Good Governance	Compliance with legislation	To ensure compliance with Municipal legislative prescriptions, by laws.	GG 05	Develop, review and implement policies, sector plans and by-laws.	10 reviewed Policies and 9 reviewed Bylaws.	Number of reviewed, developed policies and by-laws.	Quarterly Progress Report	Nil	E/S	Facilitate Provision of legal assistance on development and review of 12 municipal policies and 12 Municipal by-laws in line with the relevant legislations by June 2016.	Achieved	13 Policies and 12 By-laws have been reviewed.	N/A	N/A	Policy Gap Analysis for the following reviewed Policies: The Budget Policy, the Asset Management Policy, the Fleet Management Policy, Tariff Policy, H R Manual, Customer Care Policy, Credit Control and Debt Collection Policy, Indigent Policy, Internship Policy,	Nil
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			GG 05	Manag e perfor mance of Service Provide rs.	Lease Agreemen ts, SLA's, Employment Contracts and MOU's	The number of approve d Lease Agreem ents, SLA's, Employ ment Contract s and MOU's.	Provisio n of legal assuran ce reports Quarterl y	Nil	E/S	Provisio n of valid and legal assuran ce on Lease Agreem ents, SLA's, Employ ment Contract s and MOU's.	Achieved	The following lease agreements have been drafted: Lease Agreement between NLM and Mzimvubu Ndenga a transido tenant, Lease agreement between NLM and T.Ngumbela a transido tenant, a Lease Agreement between NLM and Nomzoli Mkula, Lease Agreement between NLM and N.Ndevu, Lease Agreement between NLM and N.M Nogcantsi, Lease Agreement between	N/A	N/A	Recom mendati on and vetting report	Nil
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NLM and
Nokhetha
Moses,
Lease
Agreement
between
NLM and
Nofungisa
Damane,
Lease
Agreement
between
NLM and
Siyanda
Diko, Lease
Agreement
between
NLM and
T.C Khenya,
Lease
Agreement
between
NLM and
Thembisa
Mfule,
Lease
Agreement
between
NLM and
Xolile Mkula
and a Lease
Agreement
between
NLM and
Yandiswa
Ndesi and
The
following
SLA's have
been
checked

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				Manag ement of the litigatio ns Registe r within the munic ipality.	Pending Litigation and updated litigation register.	reduced number of litigatio ns by and against the Munic ipality	Update d litigatio n register, progress reports on pending litigatio n	R 900 000	E/S	Manage ment of litigatio n matters through reductio n by 60% in June 2016.	Not Achieved	NA	3 Litigatio ns have been resolved and others are being dealt with our legal team	Follow on the outstandi ng matters	Update d Litigatio n Register	
GG	Risk Man agem ent	To mitiga te poten tial Risk by 2017	GG 06	Develo pment, Implem ent and review of strategi c and operati ons risk register	Strategic register 2015 and operation al register 2015.	Number of Mitigate d risks.	Quarter ly progress reports	R 0.00	n/a	To develop strategic risk, operatio nal risk and mitigate risk by 10% by June 2016	Achieved	The municipality has mitigated 71% of the planned actions for 2015/2016 due to policy adoption, workshop conducted on code of conduct, developmen t of whistle blowing policy which is incorporate d in the adopted fraud and corruption prevention policy,	n/a	n/a	Strategi c Risk Register and operatio nal risk register, Update d Risk Register reports	R 0.00

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											furthermore the 2015/2016 strategic and operational registers are in place					
Good Governance	Audit	To ensure clean audit by 2017	GG 07	Development and implementation of audit action plan	Approved audit committee charter and 5 audit committee meetings convened.	Functioning Audit committee in line with approved audit committee charter.	Quarterly reports on Audit committee functioning.	R 1 035 059.85		Co-ordinate 4 Audit committee meetings by June 2016	Achieved	8 Audit Committee meetings were convened for the 2015/2016 financial year.	n/a	n/a	Invitations, Agenda, Minutes and Resolutions	To be confirmed from expenditure

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				Develop, implement and manage Audit committee and Internal Audit committee resolutions	Reduced number of Audit committee resolutions	Audit committee and Internal Audit resolutions registers	Quarterly progress reports		n/a	80% reduction on Audit committee and Internal Audit resolutions by June 2016	Not Achieved	n/a	The municipality has implemented 66% audit committee resolutions and some of resolutions not resolved or partially resolved are for MSCOA implementation which is still in progress	Internal audit to conduct a follow up on the partially resolved and not resolved resolutions to ensure full implementation of resolutions.	Updated Audit committee resolutions Register	R 0.00
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				Development and implementation of audit action plan	2015/2016 audit plan. First quarter municipal reports have been reviewed	Percentage of audit report produced as per approved audit plan and submitted to audit committee	Quarterly reports			To conduct all internal audits as stipulated in the approved internal audit plan and follow-up on prior years AG and Internal Audit Findings by June 2016	Not Achieved	n/a	Fraud and Corruption prevention plan is still in draft and was submitted to COGTA for review on the 21 June 2016. The plan could only be developed after the adoption of the fraud and corruption prevention policy. A review of asset management has not commenced yet in terms	A follow up was done with Mr Brukwe with regards to the review of the plan, another follow up will be done for submission of the reviewed plan. To facilitate submission of the complete asset registers for review by Internal audit.	1. Fraud prevention policy and plan developed Audited institutional performance information for mid-term, Performance information, Asset Management, Supply chain management, Revenue, Human resources management 2. Audits conducted on IDP, SDBIP.	To be confirmed from expenditure
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										Coordinate implementation of the internal audit recommendation by June 2016	Achieved	A tracking document has been developed and the progress on findings raised has been updated.	n/a	n/a	Report on updated Tracking document	R 0.00
LED	Job Creation	To create 230 FTE's by June 2017	LED 05	Identify EPWP programs/projects	325,41 FTE's created; R1, 03m incentive received.	Number of FTE's created	EPWP monthly reports	R666 130,11	Equitable Share, EPWP Incentive grant	To create 108 FTE'S by June 2016	Achieved	Annual target exceeded	n/a	n/a	report on job opportunities created submitted to EPWP	
LED	Job Creation	To create 230 FTE's by June 2017	LED 05	Identify EPWP programs/projects	138 EPWP participants registered with UIF	Number of EPWP participants registered with UIF to the department of labour	Monthly UIF progress report	Nil	N/A	To register EPWP participants with UIF to the Department of Labour by June 2016	Achieved	All EPWP participants are registered in UIF	n/a	n/a	Report on UI-19 submitted application form to Department of Labour	

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CORPORATE SERVICES ANNUAL PERFORMANCE REPORT 2015/2016

Supporting KPA	Priority Area	IDP Objectives	Object number	IDP Strategies	Indicator	Baseline on the date of review (January 2015)	Measurement Source	Budget Amount	Funding Source	Annual Target	Achieved or not achieved	Comment for achievement	Reason for non-achievement	Corrective measure	POE	Expenditure
Municipal Administration	HUMAN RESOURCES MANAGEMENT & DEVELOPMENT	Ensure recruitment, development and management of municipal employees by 2017	IDO T02	Review and implement Organisational Structure	Adopted organisational structure and filled vacancies.	2014/2015 Organisational Structure approved, 157 filled positions and 35 vacant position	Council Resolutions. Post prioritisation list and employment contracts.	R 71 197	E/S	Reviewed Organisational Structure aligned to IDP Budget and prioritised positions filled by June 2016	Achieved	Organogram was	Not applicable	Not applicable	Organisational structure	Not applicable
Municipal Administration		Ensure an accountable administration by adhering to legislative	IDO T01	Capacitate and develop human capital by implement	Approved Work place Skills Plan	WSP 2015/2016 was approved and submitted to LGSETA. Training reports	Certificates & Training Reports	R560 915 .59	E/S	Trained employees, councillors and unemployed youth as per the	Not achieved	Not applicable	There are trainings done which are the following : Fire arm training,	The trainings that were not undertaken in 2015/2016 financial year	Annual training reports, Certificates/ attendance registers.	

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		ve prescri pts and policies by 2017		menti ng WSP		submitte d to relevant institutio ns. Proposed partners hip between Ntabank ulu and WSU is in process. COGTA/ GIZ partners hip and INGWE TVET partners hip				prioritis ed training needs as per the training priority list (WSP)b y June 2016			records manage ment, Office manage ment, Skills develop ment, Custom er Care Training, Basic Payroll, CPMD, Roads Construc tion maintena nce, Municipa l Finance Manage ment, LED, Law enforce ment on Peace Officers, Fleet Manage ment & AET. Impleme ntation plan was not	were carried to the 2016/20 17 WSP and priority list.		
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													complete because of the hindrances internally and some were requested from the BTO but there were no appointments of the service providers done.			
Municipal Administration							Signed WSP by MM	NIL	N/A							
Municipal Administration	TASK Grade SYSTEM	Ensure an accountable administration by adhering to legislative prescriptions and	IDOT01	Develop Job Evaluation policy and implement	Job Evaluation Policy	Vander Merve system currently used (Post levels)	Summary of reviewed JD evaluated posts	NIL	E/S	Implement TASK Grade system by June 2016	Not achieved		We are still in the process of evaluating jobs, therefore TASK is not already implemented	The project will be transferred in the next financial year	Copy of Loaded Job Descriptions	

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		policies by 2017														
Municipal Administration	EMPLOYMENT EQUITY	Ensure an accountable administration by adhering to legislative prescriptions and policies by 2017	IDOT01	Develop, review employment equity plan, implement and report 2015/2020	Developed, approved and implemented Equity Plan	EEP 2011-2015 available, Recruited One disabled Employee at the Operational Level.	Quarterly and Annual EE Report	NIL	N/A	Develop, review and implement EE Plan (2015/2020) by 30th June 2016	Achieved	When recruitment processes are conducted Equity is considered	Not applicable	Not applicable	Signed EEP and Implementation report	
Municipal Administration	OHS	Ensure an accountable administration by adhering to legislative	IDOT01	Ensure clean and safe work environment	Cleaned workplace and report on health promotion	LLF, OHS an EAP Committee	Quarterly monthly reports on cleaning services, health	NIL	N/A	Monitored clean, healthy and safe work environment by June 2016	Achieved	4 Site Inspection were done in all Municipal sites around town(NLM main site, Manyano, Pound, Home affairs	Not applicable	Not applicable	Checklist / inspection report	

Chapter 3

		prescri pts and policies by 2017			progr ams and mini mised healt h & safety risks		promot ions and OHS.					and Social Developmen t)				
Municipal Administ ration	EAP	Ensure an account table admini stration by adherin g to legislati ve prescri pts and policies by 2017	IDO TO1	Provi ding const ructiv e psych osoci al supp ort to empl oyees	Progr ess Repor ts	EAP Committ ee and EAP policy are in place	No of Consult ations quarter ly	R 15 043.0 3	E/S	Conduc t 2 worksh ops and consult ations to employ ees by June 2016	Achiev ed	Two workshops have been conducted to employees in the second and third quarter. Stress managemen t and financial managemen t workshops.	Not applicabl e	Not applicabl e	EAP annual monitori ng and evaluatio n report	
Municipal Administ ration		Ensure an account table admini stration by adherin g to legislati	IDO TO1	Conduc ting work place healt h prom otion progr	Num ber of healt h prom otion progr ams	Employee Wellness Program policy available, Bereave ment policy available	Concep t docum ent and attend ance register s	R 29 183.8 4	E/S	Provide 3 health promot ion progr ams by June 2016	Achiev ed	Three health promotion programs have been conducted in this financial year. These were conducted in the first,	Not applicabl e	Not applicabl e	EWP annual monitori ng and evaluatio n report	

Chapter 3

		ve prescri pts and policies by 2017		ams to empl oyees								second and the third quarter.				
Municipal Administ ration	ICT	Ensure an account table admini stration by adherin g to legislati ve prescri pts and policies by 2017	IDO TO1	Improve admini strative proces ses by acquir ing EDMS , PMS, Fleet Mana geme nt, Custo mer Care and Netwo rk Moni toring Syste m	2 admini strative syste ms	VIP, Pastel, Business Licensing System, ENATIS system and Teltrace system currently in place	Progres s reports quarter ly and annual ly.	145 000.0 0	E/S	Acquisi tion of two operati onalise d system s and report (Netwo rk monito ring system and EDMS system) by June 2016	Achiev ed	two systems were installed as per the annual target	Not applicabl e	Not applicabl e	Network Monitori ng reports & Cibecs monitori ng reports Network proposal & network diagram	R 485 000.0 0

Chapter 3

Municipal Administration	ICT Infrastructure & Information Security	Ensure an accountable administration by adhering to legislative prescriptions and policies by 2017	IDO TO1	Acquire reliable ICT infrastructure	Upgraded and functioning infrastructure	Upgraded server room and network infrastructure, servers from other sites are not linked to main site server	network management and monitoring.	R 365 961.54	E/S	Improvement of network in all municipal sites and CCTV system by June 2016	Achieved	Municipal network was upgraded i.e. cabling, switches, cabinets and Wi-Fi connectivity.	N/A	Expand network connectivity to all municipal sites	Close out report	R 185 000.00
Municipal Administration	Telephone Management	Ensure an accountable administration by adhering to legislative prescriptions and policies by 2017	IDO TO1	Coordinate upgrade of teltrace system and monitoring	Telephone Monitoring reports	Telephone registers used to manually manage usage. Telephone policy in draft stage. Teltrace system in place.	Teltrace reports and Telephone analysis report	R1.2M	E/S	Manage usage of telephone system by ensuring that all employees are limited to allocated telephone codes by June 2016	Achieved	Summary report on telephone usage Teltrace report available	N/A	N/A	Summary report on telephone usage Teltrace report	R85 654 00

Chapter 3

Municipal Administration	Website Management	Ensure an accountable administration by adhering to legislative prescripts and policies by 2017	IDO TO1	Design website and update information	Updated information in the website and renewed maintenance contract	Information in the website updated.	Functioning & updated Municipal Website.	Nil	E/S	Provide access & update information about the Municipality for internal and external stakeholders and renew maintenance contract by June 2016	Achieved	Information on the Website, distribution & collection register.	N/A	N/A	Information on the Website, distribution & collection register.	R 125 000.00
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Chapter 3

Institutional Development & transformation	Customer Care	Ensure a responsible, functional, accountable and responsive administration by adhering to legislative prescriptions & policies by 2017	IDOT01	Provide Customer Care to stakeholders as per policy	Customer satisfaction survey reports	Adopted Customer Care Policy and Charter	Quarterly Monitoring Reports	R 6 150.00	E/5	Customer Care Policy Implemented by June 2016	Achieved	Customer Care Charter was implemented as follows; Customer Care surveys were conducted in all wards. Customer Care office was revamped. Customer Care complaints book report consolidated, presidential hotline report consolidated, Customer care workshop conducted and customer care day conducted.	Not Applicable	Not Applicable	Survey forms, Complaints book report, presidential hotline report. Attendance Registers and certificates for the workshop.	R 68 000.00
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Chapter 3

Institutional Development & transformation	Cleaning Services	Ensure a responsible, functional, accountable and responsive administration by adhering to legislative prescripts & policies by June 2017	IDO T01	Ensure clean and safe work environment	Clean work environment	10 General Assistants available. Cleaning equipment available	Quarterly monitoring report	1735 82.06 (R31 000 committed to Customer Care)	E/S	Cleaning of work place by June 2016	Achieved	Cleaning of Municipal offices on a monthly basis, Scrubbing of municipal floors, wall, and chairs during weekends by general assistants. Cleaning conducted on a daily basis.	Not Applicable	Not Applicable	Cleaning register and monitoring reports	R300.000.00
Institutional Development & transformation	Information Management	To ensure compliance with municipal legislative prescripts, policies, by-laws	IDO T01	Enhance the Municipal Records Management System	Implemented Records and Archives procedures and policies	Records and Archives policies and Procedures and File plan	Implementation and compliance reports	Nil	E/S	Implementation of Municipal Records and Archives Policies, procedures and file	Achieved	Records management workshop and filing visitation per directorates were conducted.	Not Applicable	Not Applicable	Proposal for workshop or (concept document) POWERPOINT SLIDES, Attendance Registers for	Nil

Chapter 3

		and sector plans policies by June 2017								plan by June 2016						workshops, registers for visitations, register of mail, files from departments and filing report .	
Good Governance	Policy Development & Review	To ensure compliance with municipal legislative prescriptions, policies, by-laws and sector plans policies by June 2017	GGOS	Develop, Review and implement policies, Sector plans and by-laws	Number of approved policies, Sector plans and By-laws	Adopted HR Manual	quarterly compliance report	R 200 000 available from MSIG (R 300 000)	E/S	Development, review and implementation policies by June 2016	Achieved	HR Manual was reviewed and two new policies were developed	Not applicable	Not applicable	HR Manual and new policies	Not applicable	

Chapter 3

Good Governance	Policy Development & Review	To ensure compliance with municipal legislative prescriptions, policies, by-laws and sector plans by June 2017	GGOS	Develop, Review and implement policies, Sector plans and by-laws	Number of workshops on disciplinary code and collective agreement	Collective agreements from SALGBC and adopted HR Manual are in place	Compliance Reports	NIL	E/S	4 workshops conducted to employees on disciplinary code, Collective Agreements and HR Manual by June 2016	Not achieved		Workshops were arranged and dates were proposed but they could not be conducted due to other Municipal business	The workshop to be planned for in the next financial year	Attendance register and Concept document	
Municipal Administration	ICT Governance	To ensure compliance with municipal legislative prescriptions, policies, by-laws and sector plans	GGOS	Monitor compliance, enforce policy and procedures	Trained ICT committee	ICT Committee inducted on their roles and responsibilities and it is functional. Policies available and to be reviewed	Quarterly progress report on ICT legislative prescriptions	NIL	E/S	Conduct awareness workshops on ICT policies and implement the ICT policy June 2016.	Achieved	Awareness workshop was conducted to new employees during induction. It was also done to Management (Directors, Managers, Officers and Trade unions) during the	N/A	N/A	Attendance registers and presentations	NIL

Chapter 3

		policies by June 2017										policy review				
Municipal Administration	Audit Action Plan	Ensure clean audit by 2017	GG 07	Implement audit action plan to improve audit outcome in line with operation clean audit by June 2016	Qualified Audit Report	Audit Action plan 2013/20 14 available and progress report on the implementation of the plan monthly.	Quarterly audit action plan progress report.	NIL	NA	Development and implementation of audit action plan by 80% by 30 June 2016	Achieved	Audit Action plan was developed and 87%AG findings were addressed.	Not Applicable	Not Applicable	Audit Action Plan Progress report	Not Applicable
Municipal Administration	Risk Register	Ensure effective Risk Management risk by June 2017	GG 06	Development, implementation and review of the strategic and	Number of Mitigated risks	Strategic Risk register 2014/15 and operational risk register 2014/20 15.	Risk Register implementation reports (Quarterly)	NIL	NA	Review and reduce identified risks by 40% by June 2016	Achieved	A report has been compiled	Not Applicable	Not Applicable	Annual risk report	Not applicable

Chapter 3

				operational risk register by June 2016												
Municipal Administration	Institutional Calendar	Ensure a responsible, functional, accountable and responsive administration by adhering to legislative prescriptions and policies by 2017	IDO TO1	Develop and manage institutional calendar by June 2016	Number of reports on adherence to institutional calendar	Adopted institutional calendar by June 2016	Monthly & Quarterly compliance reports	Nil	NA	Adopted institutional calendar 2015/2016	Achieved	Memo was distributed to all Directorate every month	Not Applicable	Not Applicable	Monitoring Report	Not Applicable

Chapter 3

Good Governance	PMS	To monitor, measure and evaluate Institutional performance by June 2017	GG 04	Timely signing of performance contracts and agreements by directors, managers and office rs Evaluation and monitoring of performance	Number of signed performance agreements for directors, Managers and Office rs	2014/2015 Institutional Score card and PMS framework	Signed Quarterly Performance Evaluation Reports	NIL	NA	Implement and cascade PMS framework within the directorate by 30 June 2016	Achieved	Performance agreements for Managers and Officers were signed for the financial year 2015/2016. Performance Evaluations were conducted for up to third quarter	NIL	Not Applicable	Performance agreements and performance evaluation report	Not Applicable
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Chapter 3

BUDGET & TREASURY ANNUAL PERFORMANCE REPORT 2015/2016																
Support ed KPA	Priority Area	IDP Objec tives	Objec tive No.	IDP Strateg ies	Indicat or	Baseline on the date of review (June 2015)	Meas urem ent Sourc e	Budg et Amo unt	Fundi ng Sourc e	Annual Target	Achieved /Not Achieved	Com ment for achie veme nt	Reason for non- achieve ment	Correctiv e measure	POE	Expend iture

Chapter 3

FINANCIAL VIABILITY	Revenue Management and enhancement	To increase own revenue and revenue base by June 2017	FV 01	Review and Implement the revenue enhancement strategy	Revenue base and collection increased	Draft revenue enhancement strategy	Quarterly report	9667 20 (R1 766 720)	Equitable share	1. Adoption of revenue enhancement strategy 2. Increase revenue base by 15 additional residents by June 2016	Achieved	The revenue enhancement strategy was adopted. The revenue base has increased by more than 15 residents, as the project has identified under billing on government properties.	N/A	N/A	1. Progress on the implementation of revenue enhancement strategy 2. Adopted revenue enhancement strategy 3. Council resolution	R 1 110 900
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The ratepayers are acknowledging their debts and therefore revenue is increasing. There are 43 debtors who have signed the acknowledgments of debts

Chapter 3

					Achieving 100% billing for all services through maintenance of effective billing system and data base	100% data base customers billed (rates and refuse)	99% billed (rates and refuse) and updated on billing system	Quarterly report	Nil	N/A	100% billed customers (rates and refuse)	Not Achieved		The billing is as per the general and supplementary valuation roll. All the properties from the GV and SV are billed on a monthly basis, however the Municipality is still encountering some problems on billing due to properties that are not registered at deeds office and the	1. Approved credit control and debt collection and council resolution 2. Council resolution 3. Billing report	NIL
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Chapter 3

												illegal subdivisi on.				
				Ensure 50% revenu e collecti on throug h enforce ment of credit control and	Debtor s age analysi s with 50% owed billing	75% collected on billed properties and customers (current year debt)	1. Cash Recei pt Journ al 2. Age analy sis	Nil	N/A	5 % (R550 000) collecti on of arrear debtors on age analysi s	Achieved	The total collec tion on arrea r debt is R572 352. There is an over collec	N/A	N/A	1.Cas h Recei pt Journ al 2. Age analy sis	Nil

Chapter 3

				debt collecti on by June 2017						tion of 4%.						
							1. Cash Recei pt Journ al 2. Age analy sis	Nil	N/A	80 %*R3 265 344) collecti on on billing (curren t billng)	Achieved	The budg et on collec tion was R3 265 344 but we have over collec ted as we have receiv ed R3 623 272. which is	N/A	N/A	1. Cash recei pt journ al 2. Age analy sis	Nil

Chapter 3

											above the budget amount indicated above				
				Develop and implement the supplementary valuation roll version 3	Supplementary valuation roll V3	Supplementary valuation roll Version 2	updated billing database	R 150 000	Equitable share	Develop supplementary valuation roll 3 by June 2016	Achieved	The Final Supplementary Valuation Roll was developed, advertised for objections and implemented on the 31st March	N/A	N/A	1. Minutes and attendance register for supplementary valuation roll committee 2. final supplementary valuation Nil

Chapter 3

												2016			roll 3. Objec tion regist er	
	Budget Preparati on	To ensur e comp liance with muni cipal budg et proce sses by June 2017	FV 02	Timeou s prepar ation of annual and adjust ment budget	Adopte d 2016/2 017 annual and adjust ment budget for 2015/2 016	1. Reviewed IDP and budget process plan 2. Approved annual budget 2015/2016	1. Date of adopt ion by Coun cil 2. Budg et verifi cation	R 600 000	Equit able share	2016/1 7 annual budget adopte d by 31 May 2016 and adjust ment budget adopte d by January 2016	Achieved	The 2016/ 2017 Annu al Budg et was adopt ed on the 27th May 2016. The adjus tmen t budg et was prepa red	N/A	N/A	1. 2015/ 2016 budg et adjus tmen ts 2. Coun cil resol ution 3. 2016/ 2017 Annu al Budg et 4. Coun cil	Nil

Chapter 3

												and adopted by the council on 25 January 2016.				Resolution
	Expenditure Management	Implementation of effective, efficient processes and systems of managing Municipal finances	FV 03	Strengthen the effectiveness of expenditure control including procedures for approval, authorisation and withdrawal payment of funds.	Quarterly Expenditure Reports	Annual year expenditure Report	Expenditure reports	Nil	N/A	Produce four quarterly expenditure report indicating the financial spending by 30th June 2016	Achieved	The first to third quarter reports were developed and submitted to the council. Also the fourth quarter	N/A	N/A	1. Proof of circulation to Direct orates 2. annual expenditure reports	NIL

Chapter 3

												er repor t for 2014/ 2015 finan cial year was subm itted to the Coun cil.				
					12 months ' Salary report and statuto ry payme nts	12 months' Salary report and statutory payments for 2014/2015	Bank State ment s	RS7 179 745	Equit able Share	12 months Salaries paid on the 25th of each month and benefit s paid within 7 workin g days after the month end by June	Achieved	The salari es for staff and counc illors were prepa red and paid on the 25th of each mont h and the	N/A	N/A	three mont hs Salari es paid on the 25th of each mont h and benef its paid withi n 7 worki ng	NIL

Chapter 3

										2016.		benefits were also paid over to the third parties within 7 working days after the end of each month.			days after the month end	
				Payment of creditors within thirty days	Creditors age analysis	80% of creditors paid within 30 days	Age analysis	Nil	N/A	Ensure payment of all qualifying creditors is paid within 30 days of receipt of invoices by	Achieved	The creditors age analysis at the end of the year stands at 30 days of	N/A	N/A	Creditors age analysis	Nil

Chapter 3

										June 2016.		aging, which means the creditors were paid within thirty days				
	Supply Chain Management	To review and implement Supply Chain Management Policy by June 2017	FV 04	Review and implement the procedures in line with scm policy and MFMA circulars	Updated 2015/2016 supplier database	2014/2015 Updated supplier database system	1. Quarterly report on updated database	Nil	Equitable share	Update and maintain supplier database by June 2016	Achieved	The suppliers were invited to register on the Municipal database as legislated. The Municipal database was updated	N/A	N/A	Report on suppliers registered on the database and the number of applications received.	NIL

Chapter 3

						Quart erly repor t on Suppl y Chain Day	R 50 000	Equit able share		Achieved	SCM Awar eness day was cond ucted on the 16 June 2016.	N/A	N/A	Minu tes of the suppl y chain mana geme nt awar eness	R 89 000
					Compli ance report on submis sion of deviati on and irregula r expend iture	2014/2015 report on deviations and irregular expenditur e.	Nil	N/A	Submis sion of reports on deviati ons and Irregula r expend iture to Council within 30 days after the end of the quarter and to NT by June 2016.	Not Achieved	N/A	The third quarter report inculcate s the supply chain report, therefor e the deviation report is within the third quarter report. Also the irregular expendit ure report for fourth quarter 2015 and	Develop the complian ce process plan and ensure the submissi on	Repor t on devia tion and irregu lar to Treas ury and the Coun cil. 2. Proof of subm ission to treas ury	NIL

Chapter 3

													the first quarter-third quarter reports for the period ended June 2016 were submitted to the Council and Treasury			
					Submitted report on awards to NT and Council	2014/2015 awards (above R100 000) submitted to NT & Council within 30 days after the end of each quarter.	Quarterly report on submitted awards	Nil	N/A	Submission of quarterly awards (above R100 000) to NT & Council within 30 days after the end of each	Not Achieved	N/A	Contract awarded for the quarters were updated and submitted to the Council, however there were challenges on	Engage treasury and activate the password for submission	Report on awards above R100 000 to Treasury & Council 2 Proof	NIL

Chapter 3

										quarter by June 2016.			website experien ced for the submissi on to NT.		of regist ration to Treas ury	
					Approved and implem ented procu rement plan	2014/2015 procurement plan	Approved procu rement plan and imple mentation report	Nil	N/A	Develop ment and implem entatio n of institut ional procu rement plan by June 2016.	Achieved	Procure ment plan has been devel oped imple mented, howe ver due to emer gency there were items that were procu red but	N/A	N/A	1. Repor t on imple ment ed procu reme nt plan/ dema nd mana geme nt 2. Devel oped and updat ed procu reme nt	NIL

Chapter 3

												not on the procurement plan			plan	
					Updated 2015/2016 Contract register	Updated 2014/2015 Contract register	Updated contract register	NIL	N/A	Update and maintain contract register and submit to the Council quarterly.	Achieved	The contract register has been updated and submitted to the Council as an annexure of the quarterly reports	N/A	N/A	updated and submitted contract register to the Council	NIL

Chapter 3

					Improved performance of the services and goods provided	Signed SLA	report on performance of service providers	Nil	N/A	Monitor service provider's performance in line to set deliverables as per signed SLA with in the directorate by June 2016.	Achieved	The performance of service providers has been monitored and the report on their performance was submitted to the Executive Committee.	N/A	N/A	performance report on the performance of service providers	Nil
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Chapter 3

					2015/2016 updated inventory register	2014/2015 Inventory Register	Updated Inventory	Nil	N/A	Maintain and update inventory register by June 2016	Achieved	The inventory register has been maintained and updated. The physical verification of both the low income housing(471 houses) together with stock was done and the register	N/A	N/A	1. Stock count report 2. updated inventory register	NIL
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Chapter 3

												er was updat ed by the result s of the verifi cation. The repor t was also subm itted to the Coun cil.				
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Chapter 3

Asset Management	To Manage, Safeguard and maintain all assets of the Municipality in an economic, efficient and effective manner by June 2017	FV 05	Review and maintenance of GRAP compliant asset register	Grat compliant asset register	Asset Register	Quarterly report	R 700 000	Equitable Share	Update and maintain GRAP compliant asset register by June 2016.	Achieved	The FAR and the register for movable assets has been updated by the additions processed for the year, however there are still challenges on	N/A	N/A	1. List of additions to assets for three months 2. Updated fixed asset register 2. Completed asset transfer forms 3. Asset verification sheets.	N/A
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Chapter 3

		Provision of insurance for Municipal Assets	schedule of insured asset	Insurance schedule	Quarterly report on insured	R 550 000	Equitable Share	update schedule of insured municipal asset by June 2016.	Achieved	The schedule of insured assets was updated. The engineers were appointed to revalue the assets so to ensure completeness and the correct asset register.	N/A	N/A	1. Report on valuation of assets	N/A

Chapter 3

				Efficient management of municipal fleet.	Quarterly reports produced on fleet monitoring and maintenance	2014/2015 Fleet Management Reports	Fleet reconciliation	R 1 200 000	Equitable Share	Produce 12 months monitoring and maintenance report on fleet by June 2016	Achieved	The monitoring and maintenance reports on fleet were developed and procured, the report were also submitted to the Council as they are contained within the BTO quarterly reports	N/A	N/A	1. Fleet management report 2. Fleet Reconciliation	R 1 250 000
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Chapter 3

Financial Reporting	To ensure compliance to MFMA calendar in terms of reporting by June 2017	FV 06	Timeliness preparation and submission of Annual Financial Statements in compliance with MFMA and GRAP standards	Timely submitted GRAP compliant AFS	Audited Annual Financial Statements 2013/2014	1. AFS verification report 2. Proof of submission to AG and NT 3. Process plan	R 500 000	Equitable share	Develop and submit GRAP compliant 2015/2016 Annual Financial Statement by June 2016	Achieved	The nine months financial statements were developed and also the AFS process plan in preparation for the AFS was developed. The draft financial statements are available	N/A	N/A	1. Process plan	nil
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Chapter 3

												but still to under go the revie w proce sses and also be subm itted to Inter nal and audit com mitee				
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Chapter 3

					Perfor mance of in year reconci liations	signed control account t Reconci liations	Signed monthly reconci <liat </liat ion	Signe d Reco nciliat ions.	Nil	N/a	Reconci le control account ts within seven workin g days after the end of each month	Achieved	All the contr ol accou nts were recon ciled withi n ten worki ng days. The recon ciled accou nts:- 1. VAT, 2. Debt ors, Credi tors, Payro ll petty cash, invest ment s, asset, Inven tory recon	N/A		Signe d contr ol accou nts.	N/A	

Chapter 3

												affiliati on				
				Preparation and submission of section 71, 52, and 72 reports	Signed section 71, 52 and 72 reports	Signed section 71, 52 and 72 reports for 2014/2015	1. Three months section 71 reports to MM prepared and submitted within ten working days	Quarterly report on monthly section 71, 72 and 52 report	N/a	Submission of section 71, 52, and 72 reports to Municipal Manager, NT and PT within ten working days after the end of each	Not Achieved	NA	The section 52, 72 reports as at June has been prepared. The section 71 report was submitted to National treasury within 10 working days.	The BTO section to allocate in intern focusing of financial reporting only	1. Signed section 71 reports 2. Signed quarterly report 3. Approved section 72	N/A

Chapter 3

							2. Quart erly repor t(MF MA sec 52d) for the third quart er prepa red and subm itted to Coun cil, NT and PT			month			however the there were delays on submitti ng section 71 report to Mayor.		repor t 4. Proof of subm ission	
	Indlge ncy	To iden tify and supp ort the appr ove d indi gent hous	FV 07	Review and implem ent indigen t register in line with the indigen t policy	numbe r of subsidi zed benefic iaries	1. Adopted indigent register 2. 5 581 beneficiari es for alternative energy, 365 for grid electricity	Quart erly repor t on subsidi zed benef iciary and appro ved indig ent	R 8 000 000	Equit able share	Approv ed and implem ented Indigen t register by June 2016.	Not Achieved	N/A	The indigent register was reviewed and the new indigent register was submitte d to the Executiv	Submit the register to the Council for approval	1.Rep ort on subsidi zed benef iciarie s	6 820 000

Chapter 3

		eholds with in municipal jurisdiction by June 2017				register						e Committee, but the Council did not sit for the financial approval.			
			Verify Indigent Register with the assistance of Social Development & SASSA	No of verified applicants	Verification has not yet been done for 2015/2016 financial year	Verified and approved indigent beneficiaries	Nil	N/A		Achieved	N/A	Verification has been done in all wards and the report was done and presented the executive committee.	N/A	verified and approved indigent beneficiaries	Nil

Chapter 3

Good Governance	Audit	To ensure clean audit by 2017	GG 07	Development and implementation of Audit action plan	Unqualified audit report	Disclaimer of opinion	Quarterly report to audit committee	R 2 000 000	Equitable share	80% reduced audit qualifications by June 2016.	Achieved	The audit findings were reduced by 80%. As per the attached report	N/A	N/A	Progress report on 80% of audit findings addressed	Nil
							Quarterly assessment report	Nil	Nil	Performance assessment of Managers and Officers	Not Achieved	N/A	The managers were not assessed for the quarter, however the plan is to do them	Assess the managers timeously	assessment scores	nil
Good Governance	Risk Management	To mitigate potential risks by 2017	GG 06	Development, implementation and review of strategic and operational	Mitigated risks	Strategic risk register 2014/2015 and Operational risk register 2014/2015	Risk register implementation reports	Nil	N/A	60% mitigated risks (5 risks)	Achieved	The progress to date on risk has been prepared	N/A	N/A	Risk implementation progress reports	Nil

Chapter 3

			onal risk register								and the risks identi fied were mitig ated by 60%			
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Chapter 3

COMMUNITY SERVICES ANNUAL PERFORMANCE REPORT 2015/2016																
Supported KPA	Priority Area	IDP Objectives	Objective No.	IDP Strategies	Indicator	Baseline on the date of review (June 2015)	Measurement Source	Budget Amount	Funding Source	Annual Target	Achieved /Not Achieved	Comment for achievement	Reason for non-achievement	Corrective measure	POE	Expenditure
Good Governance	Audit Report	To ensure clean audit by 2017	GG 07	Development and implementation of Audit action plan	Unqualified audit report	Disclaimer of opinion	Quarterly report to audit committee and council	Nil	NA	Report on the implementation of the directorate's audit action plan by June 2016	Achieved	A report on audit implementation plan had been developed.	None	None	Audit action plan, implementation report	Nil
Good Governance	Risk Management	To mitigate potential risks by 2017	GG 06	Development, implementation and review of strategic and operational	Mitigated risks	Updated 2014/15 risk register for the Directorate	Risk register implementation reports	Nil	NA	Report on the implementation of the directorate's risk register by June 2016	Achieved	Implementation report on the operational risk register has been	None	None	Risk register report on risk management	Nil

Chapter 3

				risk regist er								updat ed.				
Good Governan ce	PMS	To monito r, measur e and evaluat e Instituti onal perfor mance by June 2017	GG 04	Timel y signin g of perfor mance contracts and agree ments by direct ors, mana gers and office rs Evalu ation and monit oring of perfo rman	No of signed perfor mance agreem ents for Directo rs, Manag ers and Officers	2014/2 015 Instituti onal Score card and PMS framew ork	Quarte rly reports on signed perfor mance agreem ents	Nil	NA	Implem ent and cascad e PMS framew ork within the directo rate by 30 June 2016	Achiev ed	Perfor man ce apprais als for mana gers and office rs for 2015/ 16 Annu al perfor man ce had been cond ucted	None	None	Signed perfor mance score cards, and evaluati on report	Nil

Chapter 3

				ce												
Good Governan ce	Public particip ation	To promot e effectiv e particip ation of stakeh olders in the affairs of governance by 2017	GG 01	Moni toring , supp ort and revie w of ward com mitte e functi oning	Numbe r of ward commit tee meetin gs and reports	Ward commit tee databa se Consoli dated reports for 2014/1 5	Quarte rly ward commit tee reports	R2 285 28.00	ES, MSIG	Monito r ward commit tees perfor mance by 30 June 2016	Achiev ed	Ward Com mitte e repor ts were analy sed and perfor mance evaluat ion repor t conso lidate d. An amou nt of R1 899 000-	None	None	Submis sion register , payme nt schedul e, Perfor mance evaluat ion report, concep t docum ent on ward commit tee awardi ng ceremo ny, attend	R1 952 000-00

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												mony to ackno wledg e their term of office with expe nditu re of R53 000				
				Establ ishme nt of new ward com mitte es	Numbe r of ward commit tees establis hed	18 Ward commit tees availabl e	Reports on establis hed Ward commit tees		ES, MSIG	Coordi nate process es toward s establis hment of new Ward Comm tees by 30 June 2016	Achiev ed	Concep t docu ment has been devel oped	None	None	Concep t docu ment on establis hment of new Ward Comm tees	Nil

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				Coordination of community participation programs	Number of community participation programs coordinated	4 public participation programs conducted	Quarterly reports on implemented programs	R200 000	ES	Conduct 03 public participation programs by June 2016	Achieved	Three public participation programs were conducted, namely: ward conference s, know your rights campaign & Moral regeneration move ment	None	None	Concept document, attendance register, reports : Ward Confer ences, Know your Rights & MRM	R 208 000-00

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Good Governance	Oversight	To strengthen the oversight functioning of the Council by 2017	GG 02	Coordinate council sittings to adhere to the legislative precepts	Number of ordinary council sittings.	The schedule of council sittings and its committees available for 2014/15.	Minutes, attendance register	R 150 000.00	ES	Convene 04 ordinary Council sittings adhering to legislative precepts by 30 June 2016	Achieved	Five (05) Ordinary Council Meetings have been convened; on the 11 August 2015, 03 November 2015, 25 January 2016, 30 March and 27 May 2016. Ten (10) Special Coun	None	None	Notice, minutes for Council sitting, attendance register	R311 862-20
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										cil Meeti ngs have been conve ned on the on the follo wing dates ; 06 July 2015, 26 Augu st 2015 , 31 Augu st 2015, 27 Octo ber 2015, 06 Nove mber 2015, 01 Dece mber 2015,				
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												15 December 2015, 20 January 2016, 24 February 2016 and 29 June 2016.				
				Coordinate MPAC sittings to adhere to the legislative precepts by 2017	Number of MPAC sittings	Established MPAC and Terms of reference are in place	Minutes, attendance register	R 160 000	ES	Convene D4 MPAC sittings by 30 June 2016	Achieved	The meeting has been convened on the following dates : 22 September 2015, 28-29 October	None	None	Notice, minutes for Council sittings, attendance register	

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													2015, 04 Febru ary 2016, 09-10 Febru ary 2016, 25-26 Febru ary 2016, 24 Marc h 2016, 18 May 2016 and 24 May 2016.				
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				Coordinate section 79 committee sittings to adhere to the legislative precepts by 2017	Number of Section 79 committee meetings	Terms of reference and functioning of section 79 committees;	Minutes, attendance register	R 50 000	ES	Convene 04 meetings of Section 79 Committees (Public participation & petitions and Rules, ethics & members interest s committees) by 30 June 2016	Achieved	The meeting for Public Participation & Petitions committee has been convened on the following dates : 16 September & 30 November 2015, 29 March 2016 and 13 June 2016. Rules, Ethics	N/A	N/A	Notice, minutes for Council sitting, attendance register
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												& Mem bers Intere st Com mitte e has been conve ned on the follo wing dates : 15 Septe mber & 30 Nove mber 2015, 29 Marc h 2016 and 14 June 2016.				
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				Coordinate sitting of Standing Committee (Section 80) to adhere to legislative prescript by 30 June 2017	No. of standing committee meeting	Standing committees in place; terms of reference in place for standing committees	Minutes, attendance register	R 40 000	ES	Convene 4 standing committee meeting by 30 June 2016	Achieved	All standing committees convened on the following dates: 22-29 July 2015 & 19-22 October 2015, 18-19 January 2016 and 25-26 April 2016.	N/A	N/A	Notice, minutes for Council sitting, attendance register	Nil
Basic service delivery	Environmental and Waste Management	Ensure the implementation of the Integrated	B5 06	Management of the landfill site operation	Well managed landfill site	Landfill site permit, IWMP	Landfill site compliance reports	R1m	ES	Manage Landfill site operations by June	Not Achieved	The construction of the landfill site	Delays are with the installation of electricity for the	A request has been made for the installa	Landfill site report	Nil

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		Waste Manag ement Plan (IWMP) by June 2017		tions in line with IWM P						2016		has been comp leted, but the install ation of electr icity is outst and in g. A reque st for the install ation of solar panel s has been made to be used as an interi m meas ure	site to operate.	tion of solar panels.		
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				Extension of waste management services to needy communities	Number of additional households, businesses and government departments receiving waste collection services	320 households, 70 businesses and 11 government departments receiving waste collection services	Quarterly reports on waste collection and disposal	R400 000	ES	Extend waste collection and disposal services to 471 settlement by 30 June 2015	Achieved	Awareness campaign has been conducted to 471 households settlement on the 01 August 2015 to introduce the concept of extending the services. House to house awareness	N/A	N/A	Minutes, attendance register	R324 385-00
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				Implement solid waste management program in line with IWM P by 2017	Number of households, businesses and government departments receiving waste collection services	320 households, 70 businesses and 11 government departments receiving waste collection services	Quarterly reports on waste collection and disposal		ES, DEDEAT	Report on the implementation of the following IWMP programs: cleaning services, recycling services and awareness programs by June 2016	Achieved	Cleaning services have been conducted as per the schedule. House to house awareness campaign has been conducted to households. Educational awareness campaign has been	None	None	Spot checks report, report on waste management services (IWMP implementation report), awareness campaign report, attendance registers and recycling report

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conducted to Khethani J.S.S. Zimbabwean cooperative has been trained on administrative and financial matters by Public Works. 156 bails of recyclable material has been sold. The bailin

g machine has been delivered to Zimbabwe ziqine cooperative by Buhle bekusasa recycling centre.

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Institutional Development	Public Amenities	Ensure effective management of public amenities by implementing the regulatory framework by June 2017	IDOT 04	Greening of Parks, Cemetery and public walk ways	Report on implementation of public amenities management plan	public amenities management plan in place; 20 community halls with caretakers	Quarterly reports	R 300 000	ES	Implement, monitor, report and review the implementation of the Public amenities plan by June 2016	Achieved	Cleaning services (grass cutting, paving and gardening) on public amenities had been conducted in all municipal sites as per the schedule (HQ, State house, Business Licence, Library,	None	None	Annual report on cleaning services, working schedule	NIL
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	Revenue generation											Craft Centre, Traffic and Manyano) and public walk ways from Xamati to the town entrance. Grass cutting was also done at Mafu SPS.				
Financial viability	Public Amenities	To increase own revenue and revenue base by June 2017	FV01	Implement regulatory framework for effective management	Number of impounded animals	Pound policy and By-law in place	Quarterly reports on revenue generated	R 50 000	ES	Increase revenue generation at Pound & cemetery to R 107	Achieved	An amount of R148 514.87 has been generated at Pound	None	None	Annual revenue reconciliation report	R44 000-00

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Institution al Developm ent	Sport and Recreat ion	To promot e commu nity particip ation in organiz ed sports and recreati on, targeti ng youth, women & elderly people by 2017	IDO T 08	To ensur e imple ment ation of the Integr ated annu al sport s plan for profe ssion al functi oning of sport s associ ation s by 2017	Reports on implem entatio n of Sports plan	Implem entatio n report	Quarte rly reports on Sports plan	R 300 000.0 0	ES	Develo p and implem ent integra ted local annual sports plan by 30 June 2016	Achiev ed	The annu al sport plan was devel oped and imple ment ed	No target	No target	Annual Sport Plan & Report, concep t docum ent, Attend ance register s, and a report	R414 000-00
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Institutional Development	Library	Improve access to library information facilities and services by June 2017	IDO T 05	Provide library programs to the Ntabankulu communities by 2017	Report on increased library stock and usage	SLA between NLM & DSRAC, Ntabankulu Public Library	Quarterly report on functioning of library	200 000.00	DSRAC	Provide internet connections and conduct 4 programs by 30 June 2016	Achieved	Internet at library was connected and 5 library programs conducted	None	None	Concept documents, attendance register, reports on conducted programs, Library functioning report	Nil
Institutional Development and Organizational Transformation	Public safety	Improve law enforcement on Public Safety through the implementation of National Road Traffic Act, Traffic and	IDO T 07	Implement the National Road Traffic Act, Road and Traffic By-Laws and Municipal By-Laws	Number of integrated public safety programs conducted	National Road Traffic Act and Traffic & Roads By-Laws	Reports on integrated public safety programs	100 000.00	ES	Conduct 8 integrated Public Safety Law Enforcement Programmes by June 2016	Achieved	Ten (10) integrated law enforcement program has been coordinated in 2015/16 Financial	None	None	Invitations, Quarterly report on ten conducted integrated programs	Nil

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		Roads By-Laws and Municipal By-Laws by 2017.		by 2017.								cial Year.				
Financial Viability	Revenue Generation		FV01	Implement the National Road Traffic Act, Road and Traffic By-Laws and Municipal By-Laws by 2017.	Report on issued traffic fines, executed warrants and enforced by-laws	600 traffic fines issued, 08 warrants executed and four by-laws enforced.	Quarterly reports on issued traffic fines, executed warrants and enforced by laws			Enforce National Road Traffic Act and Traffic & Roads By-Laws by issuing 1500 traffic fines, execute 20 warrants of arrests and 03 municipal by-laws by 30 June 2016	Achieved	1636 Traffic fines have been issued, 21 warrants of arrest were executed and 03 by-laws namely sleeping in business, street trading	None	None	Copies of Issued Traffic Fines, copies of executed warrants and Annual by-law enforcement report.	R254 549-89

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												sale of food and waste by-laws were enforced during 2015/16 Financial Year.				
	Driving licence testing centre	To increase own revenue and revenue base by June 2017	FVO 1	To ensure implementation of regulatory framework for effective management of revenue generation	Increased revenue generation report	R721 976.00 revenue generated at DLTC	Quarterly reports on revenue generated at DLTC			Increased revenue generation at DLTC to R1 070 307 by 30 June 2016	Achieved	During 2015/16 the DLTC generated an amount of R1 263 255.00. Law Enforcement Unit	None	None	Annual revenue reconciliation reports	

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				ated at the traffic sectio n by 2017.								has gener ated an amou nt of R167 150.0 0. A total reven ue of R 1 430 405.0 0 has been gener ated at Traffi c Depa rtme nt with an avera ge of 134%				
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Institution al Developm ent and Organizati onal Transform ation	Municipal security	Improv e safety of municip al proper ties by June 2017	IDO T 06	Improv e safety of municip al proper ties through provision of out-sourc ed security by June 2016	Fully flagged , well equipp ed security unit and implem ented security proced ures.	Draft security proced ure manual , SLA with outsou rced security	quarter ly and annual progress reports	1 700 000.0 0	ES	Coordi nate and report on the provision of outsou rced security services by 30 June 2016	Achiev ed	Moni toring of the outsou rced security services has been done, and an amou nt of R1 950 200.0 8 has been paid to Mlob s Secur ity Comp any for the securi ty servic es.	None	None	Outsou rced Secur ity Perform ance Report	R1 950 200.08
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STRATEGIC & DEVELOPMENT PLANNING ANNUAL PERFORMANCE REPORT 2015/2016

KPA	Priority Area	IDP Objectives	IDP Objective No.	IDP Strategies	Key Performance Indicator	Baseline	Measurement Source & Frequency	Budget Amount	Funding Source	Annual target	Achieved/ Not Achieved	Comment for achievement	Reason for non-achievement	Corrective measure	POE	Expenditure
LED	Land use management system	To Develop a Residential Settlement by 2017	LED 07	Zoning of 110 sites in ext 5(471 housing project)	Township Approved	Adopted SDF for 2012-2017	Quarterly Progress reports on Geotech study	R452 600-00	ES	Geotech study for the zoning of 110 sites at Ext 5 conducted By June 2016	achieved	The SLA drafted and emailed to service provider on the 12 January and inputs emailed back on the 19 January 2016. The service provider appointed in March	NA	NA	Approval report of Soil samples	R295 740.00

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2016 who facilitated the testing of soil and Soil test conducted, submitted to the engineers and soil samples report were generated in April 2016. The soil test results have now been received and approved.

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				Land Audit for Ntabankulu Jurisdiction	Land audit register	Adopted Land audit of 2009	Quarterly progress reports on ownership, land use, zoning and boundaries conducted	R95 000.00	ES	Audit on Ownership, Land use, Zoning and boundaries conducted by June 2016	Not achieved		The service provider appointed in March 2016 who facilitated the survey and Land use survey was also conducted; Zoning, Boundaries and Ownership were investigated. Land audit spreadsheet was then developed in April and Land audit report developed in May 2016. The	Land audit report developed and submitted but not presented to management for Approval. Presentation is due to be done on 20 July 2016	Confirmation of Land Audit approval	R60 000.00
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												January 2016 and a layout plan for the study area developed in February 2016. Draft motivational report was also developed and Original title was also obtained which bears no title restrictions. Relocation of pegs ERF 52 were done				
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				Implement process towards the development of Precinct plan	Precinct Plan	Situational analysis in place	Quarterly report on development of the precinct plan	R385 367.71	AND M	Draft Precinct Plan Developed by June 2016	Achieved	Terms of reference were developed for the appointment of a service provider. In February 2016 Information collection on data was facilitated and information gaps were identified. The stakeholders were not available on the set date so			Approved Precinct plan	R121 182.70
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													it was decide d to meet them on one on one meetin gs hence this was going to delay the project . Precin ct plan was drafted with implem entatio n plan and present ed to various stakeh olders. The final draft will be present ed to				
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				Implement process es toward s transfe rring owners hip of 21 sold sites	Title deeds	Data of un- transfer red sites	Quarterl y progress report on transfer of ownersh ip	NII	NA	Develo ped deed of sales and clearan ce certific ate toward s transfe r of owners hip for 21 sites by June 2016	achie ved	Terms of referen ce for the appoint ment of a service provide r were develo ped and even though the appoint ment delaye d SLA develo ped and signed with the appoint ed service provide r. Deeds of sales were drafted to be			Title deeds	
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signed by beneficiaries. NLM & ANDM engaged and agreed to issue the clearance certificates for all 21 properties. Deed of sales and clearance certificates developed. signing of clearance certificates facilitated and signed by

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	Advertis sing	To imple ment the Adver tising proce dures by regul ating adver tising in the urban area by June 2017	LED 08	Provisi on of Adver tising billboar d	Function al Adver tising billboar d	Advertis ing procedu res	Quarterl y progress reports on advertisi ng.	Nil	NA	To engage adver tising compa ny for donatio n suppor t by June 2016	Not achie ved		The research was condu cted and the marketin g Manager deployed at Alfred Nzo region is Mr Mninawa Meeting was schedule and set on the 29th August. Vodacom is an advertisi ng company that was engaged to donate billboard. Vodacom committ ed that they will only be	The Directo rate has to seek anothe r alterna tive of finding financi al suppor t to fund this project as it was later discove red that its plannin g was based on the suppor t by the third party which was not guarant eed that it	Engage ment letter	
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													within the required time and the feedback was not yielding any positive results as there was non cooperation by the contact person at Vodacom as such the billboard is not donated as yet.			
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Institutional Development	Institutional Communication	To review and implement marketing and communication strategy by June 2017	IDOT 03	Publication of Kwakhanya Ntabankulu newsletter Hosting of Calendar Events; Provide Branding and Marketing Materials.	Adopted Marketing communication Strategy; Hosted Calendar Events; Published Newsletters; Acquired Marketing and Branding Material available.	adopted marketing communication strategy	Quarterly progress reports on the implementation	R400,000	NLM	Review and implement marketing and communication strategy by June 2016	Achieved	In August 2015 A Gap analysis form was compiled and presented to the LCF with identified gaps marked in circles. The Communication Strategy Review Workshop was coordinated and it was well attended by all stakeholders	Programs, attendance registers and Photos.
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Chapter 3

from the Sector Departments to the media houses. The consolidated Marketing Strategy was done which incorporated the information from Sector Department and it was presented to the Executive management and later

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						Existing draft newsletter.	Four Quarterly Bulletins Printed and Published.		ES	Develop and publish 4 bulletins of the Municipal Quarterly newsletter by June 2016	Achieved	Draft news with standard features of a newsletter and Draft news stories on Municipal event were being done and sent to printers for design and layout for printing. Four Bulletins have been printed including articles			1. List of stories to be published 2. Newsletter printed	
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was on media tours where all there was a radio slot on the Talk to your council or show. Purchasing of Institutional Diaries was also done as part of Branding and profiling the institution. This was also posted online on the 22nd of October

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												r 2015. Facilitation in Preparations of SOMA and youth event has been done and submitted to IDP				
GG	Oversight	To strengthen the oversight functioning of the Council by 2017	GG 02	Coordinate section 79 committee sittings to adhere to legislative prescripts by 2017.	Number of Executive Committee sittings.	The schedule of Executive Committee sittings available for 2014/15 in the institutional calendar	Minutes & attendance register	Nil	ES	Convene 04 Executive Committee sittings adhering to legislative prescripts by 30 June 2016	Achieved	This target has been overachieved as there are 09 Exco meetings were held in 2015/16 year. Those being on 27th October			Notice, minutes, attendance register	

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LED	Youth,	To mainstream the historical disadvantaged individuals (HDI's)	LED06	Implement youth Sector plan	Number of Implemented sector plan projects.	SPU 2012- 2017 strategy adopted by Council	Quarterly Reports on the number of programs implemented in the sector plan	R100 000.00	ES	Implement four projects in the youth sector plan by June 2016 1. Driver training program 2. Talent Show and youth mobilisation program 3. Mayors Achievers award 4. Back to School Campaign 5. School Support	Achieved	this target was over achieved as there are seven projects implemented under Youth :- On Driver training program :- In October 2015 a Study tour was organised directly with Coega and the offices allowed to see the Municipality			Concept Document for Driver training Program, Close out report
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g have been passed by 12 members. The target was achieved as all learners went through a learner driving lessons and passed and after that they were booked for driving. Training has started on the 29 February 2016. All 18 learner

s went for a test and 13 passed while others failed however the service provider booked them another date



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							Quarterly reports on program	R250 000.00	ES		Achieved	The concept document was approved and media was invited for by in . The Youth was mobilised from 29 February to 4th March where members of the youth council were in five ward clusters to select the ward forum			Close out report. Concept document, Program, List of participants per ward	

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												and screen for talent. The grand finale was hosted and it was succee ded by the open day perfor mance which allowe d the winner s to further portray their talent				
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							Monthly progress report	Nil	ES		Achieved	Facilitation for the appointment of LYD was done. The facilitation of matric re write was done and submitted to NYDA Offices in Durban, the appointment of an additional officer by NYDA was also done and sent to				

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							NA	R60 000.0 0	fundr alsed back to schoo l		Achie ved	This target was achieve d . Achiev ers were profile d, Invitati on were sent to all identifi ed stakeh olders and the event was well organis ed well attend ed and the achieve rs were award with certific ate detailin g the kind of			Concep t Docum ent for Mayors achieve rs awards , agenda attend ance register	

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							Quarterly progress reports.	307 000.00	fundraised back to school		Achieved	Meeting was facilitated with EDOs to discuss the matric results, Learners were invited to the municipality to verify the information about educational needs. Twenty learners have been supported by the municipality from the applica			Concept Document for Back to School, Letter of admission by WSU learners selected and admitted to Institution of higher learning	
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													attended and extremely supported by all stakeholders. Attendance was over 2000 only being learners excluding exhibitors			r	
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Wome n			Implem ent woman 's Sector plan	Numbe r of implem ented sector plan project s.	SPU 2012- 2017 strategy adopte d by Council and Review ed sector plan	Quarterl y report on number of program mes impleme nted on the Sector plan	R 20 000	ES	Implem ent two project s in the woman 's sector plan by June 2016	Achie ved	This target has been over achieve d, 05 machin es were deliver ed to vukuph ile project. 35 Blanket s have been purcha sed and deliver ed to the Ward Council lor in suppor t of a women project in ward 16. Hosting of the 16 days od activis			1. Specific ations of machin es 2. Deliver y register 3.Conc ept docum ent for 16 Days of activis m 4.Atten dance Registe rs, 5. Invitati on letters, 6 work shop material and 7. Closeo ut report.	
									1. Vukupile project 2. Kwaziqhamo Ezihle Women Project 3. 16 Days of Activism in ward 09 and 18						

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m was over achieved as it started at ward 09 on the 25th of November and the last one was done on the 2nd of December 2015 at Zola Community Hall in ward 18. The projects were visited at Ndakeni ward 7 and Bonxa ward 13 and an

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Action Plan for the upcoming year was developed

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Disabled People			Implement disabled Sector plan	Number of implemented sector plan projects.	SPU 2012-2017 strategy adopted by Council	Quarterly report on number of programmes implemented on the Sector plan	nil	ES	Implement two projects in the disabled sector plan by June 2016	Achieved	Workshop on sign language was conducted on the 31 August 2015 and was attended by targeted stakeholders. Letter to Department of Health was written requesting their support in assessing the kind of wheel chairs require			1. Concept document 2. Attendance registers and 3. close out report. 4. 1. Submitted specific application to SCM. 2. Distribution register 5. Signed Application forms by three students for admission at Enoch Sontonga

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Andisiwe Ntlangula. Stakeholders meeting was facilitated on the 13th April 2016 with the purpose of getting ideas on other areas of support



Chapter 3

Elderly				Implement Elderly sector plan	Number Implement ed project s of sector plan	SPU 2012- 2017 strategy adopte d by Council	Quarterl y report on number of program mes impleme nted on the Sector plan	nil	ES	Implement three project s in the elderly sector plan by June 2016	Achie ved	Golden games were hosted on the 23 Septem ber 2015 and the match was organis ed betwe en Ntaban kulu and Mbizan a local Munici pality. Update of sportin g activiti es per ward by March 2016 was done with an action	r		1. concep t docum ents Invitati on letters , worksh op material l , Attend ance register s and closeou t report 2. Specific ations for suppor t material l at Lunche d 3.Deliv ery note 4. Update d inform ation on
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											02, ward 03, ward 13 and ward 15 from 28–30 July 2015. The handover of two rooms to two families, handover of blankets and groceries was done by the Mayor to the destitute elderly people				
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Chapter 3

OVCs			Implement OVC's sector plan	Number of implemented sector plan projects		Quarterly report on number of programmes implemented on the Sector plan	R 25 000	fundraised back to school	Implement Two projects in the OVC's Sector Plan by June 2016	Achieved	The following items were delivered as materials required for three preschools as stimulation material (ward 12,17 and 18) - Plastic Small Kiddies tables, Small kid Jolly chairs, Medium dolls to be used by boys, Wooden cards in a			1. Delivery register for stimulation material for three pre-schools (ward 12,17,18) and closeout report 2. Uniform delivery register to 30 identified OVC's.

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												(Jersey / shoes) in ward 2, Another 50 school uniforms (Shoes and Jersey) in Ward 15. The similar exercise was also done by donors to needy students of Bonxa, another pair of socks was given to Caba young childre				
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HIV and Aids	To mainstream the historical disadvantaged individuals (HDI's)	Implement HIV and AIDS plan	Number of implemented sector plan projects.	SPU 2012-2017 strategy adopted by Council	R 14 000	Implement four projects in the HIV and AIDS sector plan by June 2016	Achieved	LAC meeting was successfully held on the 19th of August 2015 at Municipal Boardroom and the second quarter was held in October in preparation for the Aids awareness day, Workshop on support group was done on the 29th of	1. Attendance register, invitation letters, minutes of LAC meetings 2. Attendance register, invitation letters, Methodist Church Health Day in Ward 12 Attendance Register, 3. Concept document,
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December 2015. Municipality in collaboration with Department of Social Development and Methodist Church hosted a Health Day in ward 12.

Chapter 3

LED	LED Agriculture, Crop farming	To provide support for production inputs and development of agriculture produce resulting in economic growth by 2017	LED NO 1	Provide production inputs and technical development for vegetable cooperatives for commercialization	One vegetable cooperative compete in the market.	35 Crop farming cooperatives	Report on implementation programs of agricultural sector plan	nil	E5	Provide fencing, seeds, seedlings, tools and implements for One vegetable cooperative by June 2016	Achieved	2 hectares of land was planted with fresh crops such as spinach, Potato seed, Cabbage, Onion, Manure and LAN, Garden tools, and agreement was done with Boxer super store to supply the products. Site visit for monitoring was done at			1. Attendance registers for labourers 2. Bill of quantities of materials 3. Business plan for fencing 4. Production plan 5. Delivery note of seeds and seedlings. 6. Photos of planted fields. Monitoring	R18 966.00
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Chapter 3

LED Agriculture, Existing Goat and Beef entities			Provide technical support and development of livestock farmers for commercialization	Improve beef, wool and goat production	38 List of livestock associations	quarterly Report on vaccination program		ES	Facilitate provision of vaccination on twelve livestock associations by June 2016 (marketing of products)	Achieved	Social facilitation was done and Six livestock associations were vaccinated in the following wards (Ward 10) Caba, Ward 11 (Siya ya) Ward 12 (Majuba) ward 15 (Hlankomo) ward 14 (Ncama) ward 13 (Lucingweni. Social		2. Report on vaccination of 12 livestock	Nil
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Chapter 3

Poultry (existing Babondla cooperative)			Provide support for the hatchery production in Babondla poultry cooperative	Procured hatchery and egg laying hens	Trained beneficiaries on hatchery equipment	monthly report on number chicks produced	R60 000.00	ES	Provide support for financial capacity and 1200 fertilized eggs for the production of chicks for Babondla Cooperative and poultry shelter. Chicks and feed to Masikhule cooperative by 30 June 2016	Achieved	The electricity connection by Eskom has been been the issue in ensuring the operations of the hatchery project. All the efforts to get support from Eskom offices were done however no positive results have been achieved. The		Follow up letter.	R100982.00
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													emails were sent to Eskom headquarters and the responses were positive to fastrack the matter.				
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							Monthly reports on functioning of cooperative		ES		Not achieved		The cooperative is doing well and out 200 chicks 190 have grown up and sold at the amount of R60 and profit was R11400-00 that is in their coffers and they are waiting for second batch of the chicks to be delivered. There are currently no chicks produced due to	Constant monitoring on commitment of beneficiaries on hatchery program.	Report on performance of cooperative	
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													technical problems experienced on the hatchery machine and lack of backup on electricity			
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Chapter 3

LED	Business Support: Retailers, SMME/Co-operatives	To provide support and Capacity building for SMMEs, Cooperatives by June 2017	LED 03	Provide support such as tools, implements and development for sustainability of our SMMEs and Cooperatives	Tools, equipment and implements provided to cooperatives	Beneficiaries registered as cooperative	Monthly reports on support provided	R100 000.00	ES	Provision of carpentry tools, implements, materials and capacity building to ward 02 furniture cooperative by June 2016	Achieved	The tools have been provided for 5 members of Eyethu wood cooperative and the Business management orientation conducted by Furntech SEDU Umzimkhulu center. The incubation was facilitated for Eyethu cooperative and applica	Monitoring reports received from incubator.	R97 000.00
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Chapter 3

									tions were filled , accom modati on negotia ted with service provide r , old furnitur e arrange d with depart ment of educati on and they started the progra m on the beginin g of April 2016				
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Chapter 3

					Operati ng car wash	Data base of SMME'S	monthly reports on impleme ntation program s	R100 000.0 0	ES	Establis h and provide equipm ent ,materi al and training s for one car wash benefic laries by June 2016	Not Achle ved		The mobilizat ion of project beneficia ries has been done successfu lly and the buy in to work as a collective has been highly welcome d by them. The training could not be effected due to number of activities that had to be done before actual training i.e. drafting of	The project has been re- phased and the finishin g would be finalize d at the beginni ng of the first quarter of the coming financi al year.	Attend ance register	R144 780.00
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					Number of Retailers and SMMEs complying	Data base of retailers and SMME's with both valid and expired licenses	monthly reports on implementation programs	Nil	ES	Ensure compliance of 15 both rural and urban Retailers and 150 SMME'S with businesses Act no 71 of 1991 by June 2016	Achieved	Business awareness campaigns was conducted on five and 50 informal traders regarding renewal payments of permit by march 2016			1. Attendance register and report on the awareness campaign	Nil
								Nil			Achieved	Formal Trader were issued with a Formal Trading License and Informal Businesses			Acknowledgement of receipt.	Nil

Chapter 3

													were issued their Street Trading License s.				
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Chapter 3

Tourism (ARTS AND CULTURE)	To utilise natural resources for the development and promotion of tourism activities by June 2017	LEDO 2	Facilitate and Co-ordinate the promotion of arts and culture development	hosting of cultural events and registration of groups to professional bodies	Traditional Forum	monthly and quarterly reports	Nil	ES	Promote tourism through hosting of cultural activities by June 2016	Achieved	The task team was formed collaboratively with members of Lwandolubomvu Traditional Council members and the Municipal employees. This task team was formed on the 18th of August at Matshona Village. Over and			Acknowledgement letter by professional bodies.	R150 000.00
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Sand and Quarry mining) unregistered	Conservation and optimal use of existing sand and quarry mining potential in ward 02,04, 05,11,13 and 18 by June-2017	LED 04	Facilitate processes to securing mining licences.	1 mining license s for sand mining & 1 mining permit for quarry	Potential areas for sand and quarry mining	submission reports	Nil	ES	Coordinate the issuing of one sand mining licence , one quarry mining permit and registration of one quarry mining business entity by June 2016	Not achieved	Three business entities were registered, one of them the Gxwaleni quarry mining had few errors and were rectified and posted back to CIPC. The department for Human Settlement had been engaged to pursue their service providers responsible for rural development to utilise local resource	To coordinate the availability of service provider to facilitate the submission of applications to department of mineral	1. Attendance register for consultation meetings. 2. Community land resolutions	Nil
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												s such as sand and quarry. The consultation meetings for community land resolutions were scheduled for 16 and 17 of March but they could not sit and that delayed the process. It was later discovered that the application were supposed to be compiled and submitted to the departm			
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GG	PMS	To monitor, measure and evaluate institutional performance by June 2017	GG04	Timely signing of performance contracts and agreements by directors, managers and officers	Number of signed performance agreements for Director, Managers and Officers	2015/2016 signed performance agreements of director, Managers and officers	Quarterly progress reports	Nil	ES	Co-ordinate signing of 2015/2016 Directorate Performance agreements in line with PMS Framework by June 2016	Achieved	The performance plans were developed and distributed to all Managers and officers on the 28th of January 2016			report on reviewed individual performance plans for the directorate	Nil
															Directorate Individual mid-term performance reviews report	

Chapter 3

INFRASTRUCTURE PLANNING & DEVELOPMENT ANNUAL PERFORMANCE REPORT 2015/2016

Supported KPA	Priority Area	IDP Objectives	Objective No.	IDP Strategies	Indicator	Baseline on the date of review (January 2016)	Measurement Source	Budget Amount	Funding Source	Annual Target	Achieved or not achieved	Comment for achievement	Reason for non achievement	Corrective measure	POE	Expenditure
BSD	Roads and storm water maintenance	To sustain accessibility and optimise the design life through maintenance of roads and storm water facilities by	BS02	To review and implement a road's maintenance plan for financial year 2015/2016.	Number of kilometres maintained	Draft roads and storm water maintenance plan in place	Annual documented evidence for the implementation of the maintenance plan	R1.45m	ES	13.6 km of municipal gravel roads maintained; 205 m of rural storm water facilities maintained by June 2016	Achieved	13.6 km of municipal gravel roads and 205m of rural storm water was maintained in ward 7, 10 & 17	Not Applicable	Not Applicable	Close-up report, photos and expenditure report	R860 476.44

Chapter 3

		June 2017														
BSD	Maintenance of municipal street and high mast lights	To ensure public safety through maintenance of public street lights by June 2017	BSD 4	Continuous maintenance of street and high mast lights and conversion of public lights to a hybrid mod	Number of public lights maintained	There are 34 street lights and 5 high masts wherein 34 street lights were maintained in January 2015.	Maintenance reports based on identified scope. expenditure reports	R350,000.00	ES	To maintain 5 high mast lights in Ntabankulu town (ward 9) by June 2016	Not Achieved	Not Applicable	Service provider for maintenance of high masts lights was not appointed, the requisition for the appointment of service provider was submitted to BTO in Novemb	Follow up memo will be submitted to BTO	Memos and requisition	R0 00

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BSD	Build ing Contr ol	To enfor ce and impr ove the quali ty and aesth etic look of build ings in the muni cipal area by June 2017	BS 07	To devel op and impl eme nt main tena nce plans for muni cipal build ings and com muni ty halls	Num ber of com mun ity halls and/ or muni cipal build ings main tain ed.	12 existing municipal buildings (Transido , Soc. Dev, ERF 85, Cultural Village, MPCC, Arts & Craft Centre, ERF 54 & ERF 52, State House), municipal pound, taxi rank. There are 21 communi ty halls.	Annual docu mented evidenc e on the implem entatio n of mainte nance plans	R850,0 00.00	ES	Impleme ntation of identifie d scope at erf 85 (NLM) and at Home Affairs by June 2016	Achieved	Mainte nance was done in Erf 85 and Home Affairs by both building and electric al section s as per the identifi ed scope	Not Applicabl e	Not Applicabl e	Scope of works, photos, progress report and registers signed by Home Affairs manag ers	R876 543. 68
							Comple ted hawker stalls	R 760 000.00	ES	Completi on of construct ion of 15 hawker stalls in Ntabank ulu town (ward 9)by	Achieved	Constru ction of hawker stalls was comple ted and handed over to Asset	Not Applicabl e	Not Applicabl e	Photos and close up report	R1238 321.46

Chapter 3

										June 2016		section in Februar y 2016				
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Chapter 3

				To enforce compliance of National Building Regulations by June 2017	Number of building plans approved	44 building plans approved from July 2012 to February 2015	Application forms, checklist, building plans, approval/rejection letters, inspection notices	R 0	ES	Facilitate approval of submitted building plans for urban area of Ntabankulu town (ward 9) within 30 days of submission by June 2016	Achieved	Twenty building plans were submitted, Four referrals for erven 1135, 387, 405 and 347 were issued and Eighteen applications were recommended for approval	Not Applicable	Not Applicable	Approval letters, Referrals, Checklist and notices for inspection	R0.00
												erven2 19,25,4 4,503,6, 144,252 ,1957,1 056,115 1,451,4 19, 1135, 1103,				

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Chapter 4

CHAPTER 4 – ORGANISATIONAL DEVELOPMENT PERFORMANCE (PERFORMANCE REPORT PART II)

INTRODUCTION

Ntabankulu Local Municipality develops organogram in alignment with IDP and it is reviewed annually together with IDP by the Municipal Manager but approved by the Council. It has been developed in such a way that there are fewer vacancies, budgeted and prioritized positions.

Consultations with all the relevant stakeholders (Labor & Council) are key.

T4.0.1

COMPONENT A: INTRODUCTION TO THE MUNICIPAL PERSONNEL

4.1 EMPLOYEE TOTALS, TURNOVER AND VACANCIES

Description	Employees				
	Year -1	Year 0			
	Employees No.	Approved Posts No.	Employees No.	Vacancies No.	Vacancies %
Water	N/a	N/a	N/a	N/a	N/a
Waste Water (Sanitation)	N/a	N/a	N/a	N/a	N/a
Electricity	2	2	2	0	0
Waste Management	22	24	19	5	20.83
Housing	2	2	2	0	0
Waste Water (Stormwater Drainage)	1	1	1	0	0
Roads	0	0	0	0	0%
Transport	0	0	0	5	0
Planning	2	2	2	1	50%

Chapter 4

Local Economic Development	6	6	6	0	0%
Community & Social Services	80	80	70	10	
Environmental Protection	N/a	6	1	5	83.33%
Health	N/a	N/a	N/a	N/a	N/a
Security and Safety	21	24	21	3	12.5% %
Sport and Recreation	N/a	N/a	N/a	N/a	N/a
Corporate Policy Offices and Other					
Totals	-	-	-	-	-

T 4.1.1

Vacancy Rate: Year 0			
Designations	*Total Approved Posts No.	*Vacancies (Total time that vacancies exist using fulltime equivalents) No.	*Vacancies (as a proportion of total posts in each category) %
Municipal Manager	1	0	0
CFO	1	0	0
Other S57 Managers (excluding Finance Posts)	4	0	0
Other S57 Managers (Finance posts)	0	0	0
Police officers	0	0	0
Fire fighters	0	0	
Senior management: Levels 13-15 (excluding Finance Posts)	18	2	11%
Senior management: Levels 13-15 (Finance posts)	5	0	
Highly skilled supervision: levels 9-12 (excluding Finance posts)	34	5	14.7%
Highly skilled supervision: levels 9-12 (Finance posts)	4	0	
Total	67	7	0.10

*Note: *For posts which are established and funded in the approved budget or adjustments budget (where changes in employee provision have been made). Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.*

T 4.1.2

Chapter 4

$3 \times \text{Managers} = 611 \text{ days}/250 = 2.444$
 $4 \times \text{Officers} = 735 \text{ days}/250 = 2.94$
 $2 \times \text{Administrators} = 756/250 = 3.024$

Turn-over Rate			
Details	Total Appointments as of beginning of Financial Year No.	Terminations during the Financial Year No.	Turn-over Rate*
Year -2	50	18	36%
Year -1	50	12	24%
Year 0	14	7	4.43% %
* Divide the number of employees who have left the organisation within a year, by total number of employees who occupied posts at the beginning of the year			T 4.1.3

COMMENT ON VACANCIES AND TURNOVER:

Vacancy rate of 2013/14 was at 46%. Three section 57 positions were vacant (Municipal Manager, Community Services Director, Strategic and Development Planning Director.) In 2014/15 the vacancy rate is at 22% % with all strategic positions filled.

Vacancy rate at 2015/2016 was 11.7%. Turnover is caused by 3 resignations, 3 retirements and 1 deceased employee.

T4.1.4

Chapter 4

COMPONENT B: MANAGING THE MUNICIPAL WORKFORCE

INTRODUCTION TO MUNICIPAL WORKFORCE MANAGEMENT

Note: MSA 2000 S67 requires municipalities to develop and adopt appropriate systems and procedures to ensure fair; efficient; effective; and transparent personnel administration in accordance with the Employment Equity Act 1998.

The Human Resource manual, Human Resource Plan, Employment Equity, Exit Management, Human Resource & Development, performance Management & Development, Recruitment, Selection and appointments, skills development, Attraction & retention & affirmative action have been reviewed and enforced. Employees have been work shopped about these policies. Delegation policy has been reviewed and is still awaiting adoption.

T4.2.0

Chapter 4

4.2 POLICIES

HR Policies and Plans				
	Name of Policy	Completed	Reviewed	Date adopted by council or comment on failure to adopt
		%	%	
1	Affirmative Action	Yes	Yes	27-May-15
2	Attraction and Retention	Yes	Yes	27-May-15
3	Code of Conduct for employees			We use SALGBC signed agreement.
4	Delegations, Authorisation & Responsibility	Yes	Yes	May 2015
5	Disciplinary Code and Procedures			We use SALGBC signed agreement.
6	Essential Services	Yes	Yes	27-May-15
7	Employee Assistance / Wellness	Yes	No	22-Feb-2015
8	Employment Equity	Yes	Yes	May 2016
9	Exit Management	Yes	Yes	Exit interviews are conducted.
10	Grievance Procedures	Yes	Yes	We use SALGBC signed agreement.
11	HIV/Aids	Yes	No	27-May-15)
12	Human Resource and Development	Yes	Yes	27-May-15
13	Information Technology	Yes	No	27-May-15
14	Job Evaluation	Yes	No	27-May 2016
15	Leave	Yes	Yes	27-May-15
16	Occupational Health and Safety	Yes	Yes	27-May-15
17	Official Housing	Yes	Yes	27-May-15
18	Official Journeys	Yes	Yes	27-May-15
19	Official transport to attend Funerals	Yes	Yes	22-Feb-14
20	Official Working Hours and Overtime	Yes	Yes	27-May-15
21	Organisational Rights			We use SALGBC signed agreement.
22	Payroll Deductions	Yes	No	27-May-15
23	Performance Management and Development	Yes	No	27-May-15
24	Recruitment, Selection and Appointments	Yes	No	27-May-15
25	Remuneration Scales and Allowances	Yes	No	27-May-15
26	Resettlement	N/a	N/a	N/a
27	Sexual Harassment	Yes	No	27-May-15
28	Skills Development	Yes	No	27-May-15
29	Smoking	Yes	No	27-May-15
30	Special Skills	N/a	N/a	N/a
31	Work Organisation	N/a	N/a	N/a
32	Uniforms and Protective Clothing	Yes	Yes	27-May-15
33	Customer Care Policy	Yes	Yes	22-Feb-14

Chapter 4

T4.2.1

COMMENT ON WORKFORCE POLICY DEVELOPMENT:

The policies are developed and reviewed yearly as and when there is a need. 2014/2015 Policies are reviewed with IDP and Budget & PMS, adopted before the start of the Financial year. Policies for 2015/2016 financial year were adopted by Council on the 27 May 2015.

T4.2.1.1

4.3 INJURIES, SICKNESS AND SUSPENSIONS

Number and Cost of Injuries on Duty					
Type of injury	Injury Leave Taken	Employees using injury leave	Proportion employees using sick leave %	Average Injury Leave per employee Days	Total Estimated Cost
	Days	No.			R'000
Required basic medical attention only – None	0	0	0%	0	0
Temporary total disablement- None	0	0	0%	0	0
Permanent disablement- None	0	0	0%	0	0
Fatal- None	0	0	0%	0	0
Total Not applicable	0	0		0	0

T4.3.1

Chapter 4

Number of days and Cost of Sick Leave (excluding injuries on duty)						
Salary band	Total sick leave Days	Proportion of sick leave without medical certification %	Employees using sick leave No.	Total employees in post* No.	*Average sick leave per Employee Days	Estimated cost R' 000
Lower skilled (Levels 1-2)	280	0	120	45	5.55	
Skilled (Levels 3-5)	159	0	35	36	4.41	
Highly skilled production (levels 6-8)	143	0	26	32	4.46	
Highly skilled supervision (levels 9-12)	75	0	30	17	4.41	
Senior management (Levels 13-15)	35	0	17	16	2.19	
MM and S57	14	0	3	6	2.33	
Total	706	0	231	152	23.35	0
* - Number of employees in post at the beginning of the year *Average is calculated by taking sick leave in column 2 divided by total employees in column 5						
						T 4.3.2

Chapter 4

COMMENT ON INJURY AND SICK LEAVE:

No injuries reported, 60% of sick leaves.

T4.3.4

Number and Period of Suspensions				
Position	Nature of Alleged Misconduct	Date of Suspension	Details of Disciplinary Action taken or Status of Case and Reasons why not Finalised	Date Finalised
CFO	Allegations of misconduct	06 November 2014	The case took a longer period, as at May 2016 the Municipality commenced to negotiate with the employee after the Council has lost in the Labour Court	Not yet finalised

T 4.3.5

Disciplinary Action Taken on Cases of Financial Misconduct			
Position	Nature of Alleged Misconduct and Rand value of any loss to the municipality	Disciplinary action taken	Date Finalised
NA	NA	NA	NA

T 4.3.6

COMMENT ON SUSPENSIONS AND CASES OF FINANCIAL MISCONDUCT:

T4.3.7

Chapter 4

4.4 PERFORMANCE REWARDS

Performance Rewards By Gender					
Designations	Beneficiary profile				
	Gender	Total number of employees in group	Number of beneficiaries	Expenditure on rewards Year 1 R' 000	Proportion of beneficiaries within group %
Lower skilled (Levels 1-2)	Female	18	0	0	0%
	Male	29	0	0	0%
Skilled (Levels 3-5)	Female	23	0	0	0%
	Male	21	0	0	0%
Highly skilled production (levels 6-8)	Female	30	0	0	0%
	Male	26	0	0	0%
Highly skilled supervision (levels 9-12)	Female	2	0	0	0%
	Male	2	0	0	0%
Senior management (Levels 13-15)	Female	10	0	0	0%
	Male	5	0	0	0%
MM and S57	Female	3	0	0	0%
	Male	2	0	0	0%
Total					
Has the statutory municipal calculator been used as part of the evaluation process ?					Yes/No
<p><i>Note: MSA 2000 S51(d) requires that ... 'performance plans, on which rewards are based should be aligned with the IDP'... (IDP objectives and targets are set out in Chapter 3) and that Service Delivery and Budget Implementation Plans (developed under MFMA S69 and Circular 13) should be consistent with the higher level IDP targets and must be incorporated appropriately in personal performance agreements as the basis of performance rewards. Those with disability are shown in brackets '(x)' in the 'Number of beneficiaries' column as well as in the numbers at the right hand side of the column (as illustrated above).</i></p>					

T 4.4.1

COMMENT ON PERFORMANCE REWARDS:

The Municipality has adopted the Performance Management System Policy for 2015/2016 financial year. The Performance Management has been implemented to Senior Managers/Section 54 & 56/57 Managers, Managers reporting to Senior Managers and Officers for the financial year 2015/2016.

T4.4.1.1

Chapter 4

COMPONENT C: CAPACITATING THE MUNICIPAL WORKFORCE

INTRODUCTION TO WORKFORCE CAPACITY DEVELOPMENT

Note: MSA 2000 S68 (1) requires municipalities to develop their human resource capacity to a level that enables them to perform their functions and exercise their powers in an economical, effective, efficient and accountable way.

The Municipality believes that its employees and Councilors form the cornerstone of service delivery to the communities within the Municipality. It is governed by a policy of giving priority to the training and development of its councilors, within parameters of what is feasible and sensible in the context of the municipality's resources development requirements.

It will identify and assess the training needs and potential, improve their performance within the Municipality. The Municipality is committed to the structured and systematic training and development of its councilors on an ongoing basis to enable them to perform their duties effectively and efficiently. This plan aims at providing training and development programmes to enable councilors to acquire the skills, knowledge and other attributes and develop their potential to meet the municipality's and individual needs.

T4.5.0

Chapter 4

4.5 SKILLS DEVELOPMENT AND TRAINING

Skills Matrix														
Management level	Gender	Employee s in post as at 30 June Year 0	Number of skilled employees required and actual as at 30 June Year 0											
			Learner ships			Skills programmes & other short courses			Other forms of training			Total		
		No.	Actual : End of Year - 1	Actual : End of Year 0	Year 0 Targe t	Actual : End of Year - 1	Actual : End of Year 0	Year 0 Targe t	Actual: End of Year -1	Actual: End of Year 0	Year 0 Tar get	Actual : End of Year - 1	Actual: End of Year 0	Year 0 Targ et
MM and s57	Female	3	2	0	0	0	0	0	0	0	0	2	0	
	Male	3	0	1	1	0	0	0	0	0		1	1	1
Councillors, senior officials and managers	Female	27	3	3	3	5	1	20	0	0	0	8	4	23
	Male	32	2	2	2	1	2	27	0	0		5	4	4
Technicians and associate professionals	Female	1	0	0	0	0	0	0	0	0	0	0	0	0
	Male	5	0	0	0	0	0	0	0	0		0	0	0

Chapter 4

Professionals	Femal e	20	2	2	2	3	15	20	0	0	0	5	17	17
	Male	13	1	1	1	3	23	13	0	0	0	4	2	
Sub total	Femal e	51	7	5	5	8	16		0	0	0	15	10	16
	Male	53	2	3	3	4	25		0	0	0	6	6	25
Total		104	9	8	8	12	41							
*Registered with professional Associate Body e.g CA (SA)														T 4.5.1

Chapter 4

Skills Development Expenditure										
										R'000
Management level	Gender	Employees as at the beginning of the financial year	Original Budget and Actual Expenditure on skills development Year 1							
			Learnerships		Skills programmes & other short courses		Other forms of training		Total	
		No.	Original Budget	Actual	Original Budget	Actual	Original Budget	Actual	Original Budget	Actual
MM and SS7	Female	3	R700 000	R70 500	R700 000	0	0	0	0	0
	Male	3	R700 000	R113 400	R700 000	0	0	0	0	0
Legislators, senior officials and managers	Female	27	R700 000	0	R700 000	0	0	0	0	0
	Male	32	R700 000	0	R700 000	R 12 078	0	0	0	0
Professionals	Female	20	R700 000	0	R700 000	R 15 273	0	0	0	0
	Male	13	R700 000	0	R700 000	0	0	0	0	0
Technicians and associate professionals	Female	1	R700 000	0	R700 000	0	0	0	0	0
	Male	5	R700 000	0	R700 000	0	0	0	0	0

Chapter 4

Clerks	Female	23	R700 000	0	R700 000	R7 200	0	0	0	0
	Male	13	R700 000	0	R700 000	R13 501	0	0	0	0
Service and sales workers	Female	0	R700 000	0	R700 000	0	0	0	0	0
	Male	0	R700 000	0	R700 000	0	0	0	0	0
Plant and machine operators and assemblers	Female	0	R700 000	0	R700 000	0	0	0	0	0
	Male	13	R700 000	0	R700 000	R 7999	0	0	0	0
Elementary occupations	Female	19	R700 000	0	R700 000	0	0	0	0	0
	Male	28	R700 000	0	R700 000	R40 800	0	0	0	0
Sub total	Female	93	R700 000	0	R700 000	R22 473	0	0	0	0
	Male	107	R700 000	0	R700 000	R 74 378	0	0	0	0
Total		200	R 700 000	R 183 900	R 700 000	R 96 851	0	0	0	0
*% and *R value of municipal salaries (original budget) allocated for workplace skills plan.									%*	*
T4.5.3										

Chapter 4

COMMENT ON SKILLS DEVELOPMENT AND RELATED EXPENDITURE AND ON THE FINANCIAL COMPETENCY REGULATIONS:

Each year there is a budget allocated for trainings and skills development for Coucillors, employees and unemployed youth. All SETAs do provide trainings and Work Intergrated learning through the process of applying for discretionary grant applications, this year there were two trainings provided by the LGSETA which are: Local Economic Development and Municipal Finance Management for both employed and unemployed.

There were 37 training interventions needed and the Municipality only managed to conduct 13 training interventions which are as follows:

- LED learnership for unemployed, Municipal Finance Management for both employed and unemployed, Roads construction maintenance & repairs for Roads Superintendent, CPMD for Community Services Director, Customer Care training for Staff, Skills Development Facilitators course for SDF, Office Administration for IPD PA, Fire Arm Training for the Driver, Fleet Management for Fleet Officer, Law Enforcement for Peace Officers, Records Management for Records and Archives Administrators and AET for Elementary staff.

Total budget for capacity building 2015/2016 was R 700 000

Total amount spent from capacity building vote is: R 542 023.84

Total amount unspent from the vote is: 157 976.16

Percentage: 77%

5.4

Chapter 4

COMPONENT D: MANAGING THE WORKFORCE EXPENDITURE

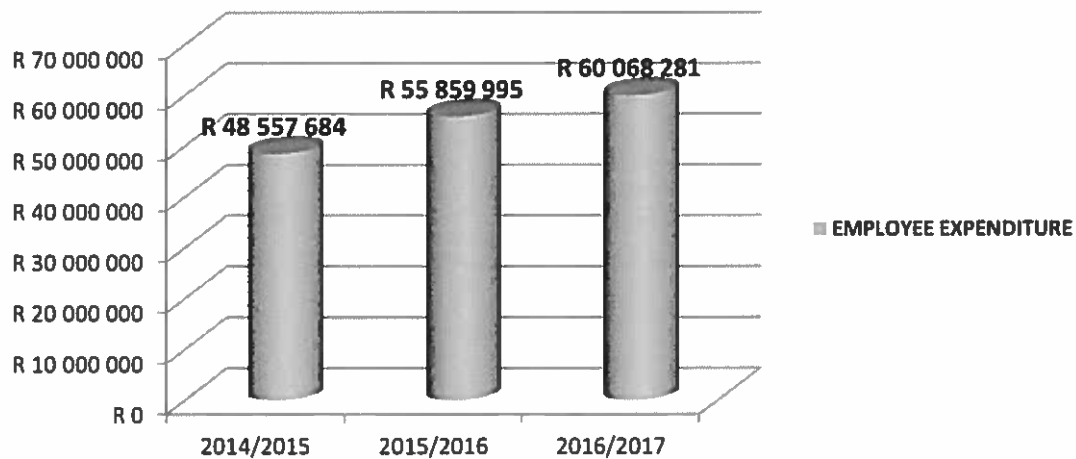
INTRODUCTION TO WORKFORCE EXPENDITURE

The wage increase on personnel is based on percentage increase as determined by the bargaining Council, CPI as per the Budget circular. The salary increase for the Councillors is determined by the gazette. The salary increase from the year -1 to year 0 was increased by 6.% and 2.5% to all employees except for managers and section 56 employees. The total percentage increase was 8.5%, with the managers and section 56 employees increased by 5.5% and the Councillors by 6%

T4.6.1.1

4.6 EMPLOYEE EXPENDITURE

EMPLOYEE EXPENDITURE



T4.6.1

Chapter 4

COMMENT ON WORKFORCE EXPENDITURE:

The wage increase on personnel is based on percentage increase as determined by the bargaining Council, CPI as per the Budget circular. The salary increase for the Councillors is determined by the gazette. The salary increase from the year -1 to year 0 was increased by 12% due to 8.5% increase on personnel costs and 6% increase on Councillors; including the filling of the prioritised posts as per the approved organisational structure. For the following year we have anticipated the percentage increase of 5.8%.

T4.6.1.1

Number Of Employees Whose Salaries Were Increased Due To Their Positions Being Upgraded		
Beneficiaries	Gender	Total
Lower skilled (Levels 1-2)	Female	0
	Male	0
Skilled (Levels 3-5)	Female	0
	Male	0
Highly skilled production (Levels 6-8)	Female	0
	Male	0
Highly skilled supervision (Levels 9-12)	Female	0
	Male	0
Senior management (Levels 13-16)	Female	3
	Male	2
MM and S 57	Female	0
	Male	0
Total		5
<p><i>Those with disability are shown in brackets '(x)' in the 'Number of beneficiaries' column as well as in the numbers at the right hand side of the column (as illustrated above).</i></p>		

T 4.6.2

Chapter 4

Number Of Employees Whose Salaries Were Increased Due To Their Positions Being Upgraded		
Beneficiaries	Gender	Total
Lower skilled (Levels 1-2)	Female	0
	Male	0
Skilled (Levels 3-5)	Female	0
	Male	0
Highly skilled production (Levels 6-8)	Female	0
	Male	0
Highly skilled supervision (Levels 9-12)	Female	0
	Male	0
Senior management (Levels 13-16)	Female	3
	Male	2
MM and S 57	Female	0
	Male	0
Total		5
<i>Those with disability are shown in brackets '(x)' in the 'Number of beneficiaries' column as well as in the numbers at the right hand side of the column (as illustrated above).</i>		

T 4.6.2

Employees Whose Salary Levels Exceed The Grade Determined By Job Evaluation				
Occupation	Number of employees	Job evaluation level	Remuneration level	Reason for deviation
N/a	N/a	N/a	N/a	N/a
N/a	N/a	N/a	N/a	N/a
N/a	N/a	N/a	N/a	N/a
N/a	N/a	N/a	N/a	N/a
N/a	N/a	N/a	N/a	N/a

T 4.6.3

Chapter 4

Employees appointed to posts not approved				
Department	Level	Date of appointment	No. appointed	Reason for appointment when no established post exist
N/a	N/a	N/a	N/a	N/a
N/a	N/a	N/a	N/a	N/a
N/a	N/a	N/a	N/a	N/a
N/a	N/a	N/a	N/a	N/a
N/a	N/a	N/a	N/a	N/a

T4.6.4

COMMENT ON UPGRADED POSTS AND THOSE THAT ARE AT VARIANCE WITH NORMAL PRACTICE:

No positions upgraded during the financial year 2015/2016.

T4.6.5

DISCLOSURES OF FINANCIAL INTERESTS

There are 36 Councillors and there are a few of them involved in the business and they have all declared their interests yearly. 6 Executive managers have declared according. The Municipality has gone further by including all staff members and they are done annually.

T4.6.6

Chapter 5

CHAPTER 5 – FINANCIAL PERFORMANCE

INTRODUCTION

Chapter 5 contains information regarding financial performance and highlights specific accomplishments. The chapter comprises of three components:

- Component A: Statement of Financial Performance
- Component B: Spending Against Capital Budget
- Component C: Other Financial Matters
-

The Municipality has a low revenue base as a result the Municipality is 96% dependents upon the government grants, that means the expenditure is mainly funded by the government grants. The Municipality considers the historical cost(prior year) when budgeting, and alignment with the IDP

Grant spending

The Municipality has 100% spend all the grants received during the year.

During the year the Budget and Treasury Office ensures that the expenditure is budgeted for.

T5.0.1

Chapter 5

COMPONENT A: STATEMENTS OF FINANCIAL PERFORMANCE

5.1 STATEMENTS OF FINANCIAL PERFORMANCE

5.1 STATEMENTS OF FINANCIAL PERFORMANCE									
Description	R of	2014/15	Original Budget	Adjusted Budget	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
		Audited Outcome							
R thousands									
Revenue By Source									
Property rates		2 722	2 844	3 227	4 707	3 227	1 480	48%	3 227
Service charges - sanitation revenue						-	-		
Service charges - refuse revenue		233	280	280	302	280	(22)	(7%)	280
Service charges - other							-		
Rental of facilities and equipment		948	1 084	1 084	928	1 084	156	15%	1 084
Interest earned - external investments		2 229	2 294	2 040	2 390	2 040	350	17%	2 040
Dividends received							-		
Fines		1 191	1 701	1 701	1 539	1 701	162	10%	1 701
Licences and permits							-		
Agency services							-		
Transfers recognised - operational		141 759	103 352	104 742	103 743	104 742	000	10%	104 742
Other revenue		407	5 934	10 338	7 973	10 338	2 365	23%	10 338
Gains on disposal of PPE							(1)		
		149 619	117 489	123 412	121 583	123 412	548	0%	123 412
Total Revenue (excluding capital transfers and contributions)									
Expenditure By Type									
Employee related costs		39 430	45 888	44 688	44 688	44 688	-	-	44 688
Remuneration of councillors		9 183	11 292		9 441	9 441	(2 695)	-24%	9 441
Debt impairment		1 406	529			529	(529)	-100%	529

Chapter 5

Depreciation & asset impairment	19 888	2 824	2 824	-	2 824	(2 824)	-100%	2 824
Finance charges	298	2 104	2 104	2 104	2 104	-	-0%	2 104
Bulk purchases			3			(1		
Other materials	1 369	3 600	520	1 813	3 600	787)	-50%	3 520
Contracted services					-	-		
Transfers and grants					-	-		
Other expenditure	42 380	44 638	44 638	44 638	44 638	-		-
Loss on disposal of PPE	34				-	-		
Total Expenditure	133 770	110 875	97 774	102 684	824	107	50%	
Surplus/(Deficit)		6 814	25 638	18 899	15 588			(103
Transfers recognised - capital		(86 395	293	(82 293	(82 293	-	(0)	352)
Contributions recognised - capital						-		
Contributed assets						-		
Surplus/(Deficit) after capital transfers & contributions	133 770	(49 920)	60 824	(60 757)	(49 920)			(43
Taxation						-		157)
Surplus/(Deficit) after taxation	133 770	(49 920)	60 824	(60 757)	(49 920)			(43
Attributable to minorities								157)
Surplus/(Deficit) attributable to municipality	133 770	(49 920)	60 824	(60 757)	(49 920)			(43
Share of surplus/ (deficit) of associate								157)
Surplus/ (Deficit) for the year	133 770	(49 920)	60 824	(60 757)	(49 920)			(43
								157)

Chapter 5

COMMENT ON FINANCIAL PERFORMANCE:

A decrease on grants by an amount of R479 000 due to decrease on equitable share and the LGSETA that was not received. All the grants were received as per DORA and the budget, and also the correction rate on own revenue was at 85%, however there was under collection refuse and rentals, being caused by the ratepayers not willing to pay their debts, a policy for the writing off and the several engagement were done. On rentals, there are two government departments renting the Municipal properties, one of them is on arrears and the other on three months arrears, but has promised to pay. The under spending on Councillors remuneration was experienced, this was due to over budgeting, but the savings will fund overspending items.

T5.1.3

Chapter 5

Description	Ref	2014/15	Budget Year 2015/16		YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
		Audited Outcome	Original Budget	Adjusted Budget					
R thousands								%	
EXPENDITURE									
<u>Operating expenditure of Transfers and Grants</u>									
National Government:		84 573	102 752	4 261	54 450	102 752	0	-47.0%	103 132
Local Government									
Equitable Share		79 930	98 871	98 512	98 512	98 512	359		98 512
Finance Management		1 800	1 800	1 800	1 800	1 800	0	0	1 800
Municipal Systems Improvement		930	930	930	930	930	0	0	930
EPWP Incentive		1 031	1 031	1 031	1 031	1 031	267	25.9%	1 031
							-		
EPWP Community		862	120	500	436	500	982	801.6%	500
Provincial Government:		-	600	400	400	400	(385)	-60.8%	600
Sport and Recreation			200			200	35	17.5%	200
Princt Plan							-		
Other transfers and grants								-100.0%	
Princt Plan		0	400	400	400	400	(400)		400
District Municipality:		-	-	-	-	-	-		-
							-		
<i>[insert description]</i>							-		
Other grant providers:		-	-	-	-	-	-		-
							-		
<i>[insert description]</i>							-		
Total operating expenditure of Transfers and Grants:		84 573	111 536	112 966	112 966	103 352	(48 667)	-47.1%	103 732
<u>Capital expenditure of Transfers and Grants</u>									

Chapter 5

National Government:	56 077	96 395	96 395	85 008	96 395	(11 387)	-11.8%	96 395
Municipal Infrastructure Grant (MIG)	21 577	28 395	28 395	20 857	28 395	0	0.5%	28 395
INEP	34 500	30 000	30 000	39 400	39 400	0	-15.2%	30 000
Provincial Treasury	40 000	40 000	40 000	33 911	40 000	(6 089)	-15.2%	40 000
Other capital transfers [insert description]						-	-100.0%	685
Provincial Government:		685	-	-	685	(685)	-100.0%	685
IEC		685	2 000	2 000	2 000	(685)	-100.0%	685
District Municipality:	-	-	-	-	-	-		-
Other grant providers:		-	-	3 157	-	3 157	#DIV/0!	-
				3 157		3 157	#DIV/0!	
Total capital expenditure of Transfers and Grants	-	97 080	96 395	88 165	97 080	(8 915)	-9.2%	97 080
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS	180 650	200 432	191 056	142 851	200 432	(57 581)	-28.7%	200 812

COMMENT ON OPERATING TRANSFERS AND GRANTS:

Note: All grants were received as budgeted for, but equitable share was less by R359 000. The grants were fully spent at year end.

T5.2.2

Chapter 5

COMMENT ON CONDITIONAL GRANTS AND GRANT RECEIVED FROM OTHER SOURCES:

Note: All grants were received as budgeted for, but equitable share was less by R359 000. The grants were fully spent at year end.

T5.2.4

5.3 ASSET MANAGEMENT

INTRODUCTION TO ASSET MANAGEMENT

The division is responsible for the development and implementation of asset management strategy, policy and procedures. It is also responsible for managing the development updating and maintenance of asset register, operating and finance lease as well as maintenance of municipal assets and fleet in order to provide a high quality of service to the community while ensuring that municipal assets are maintained to allow optimal utilization while minimizing costs.

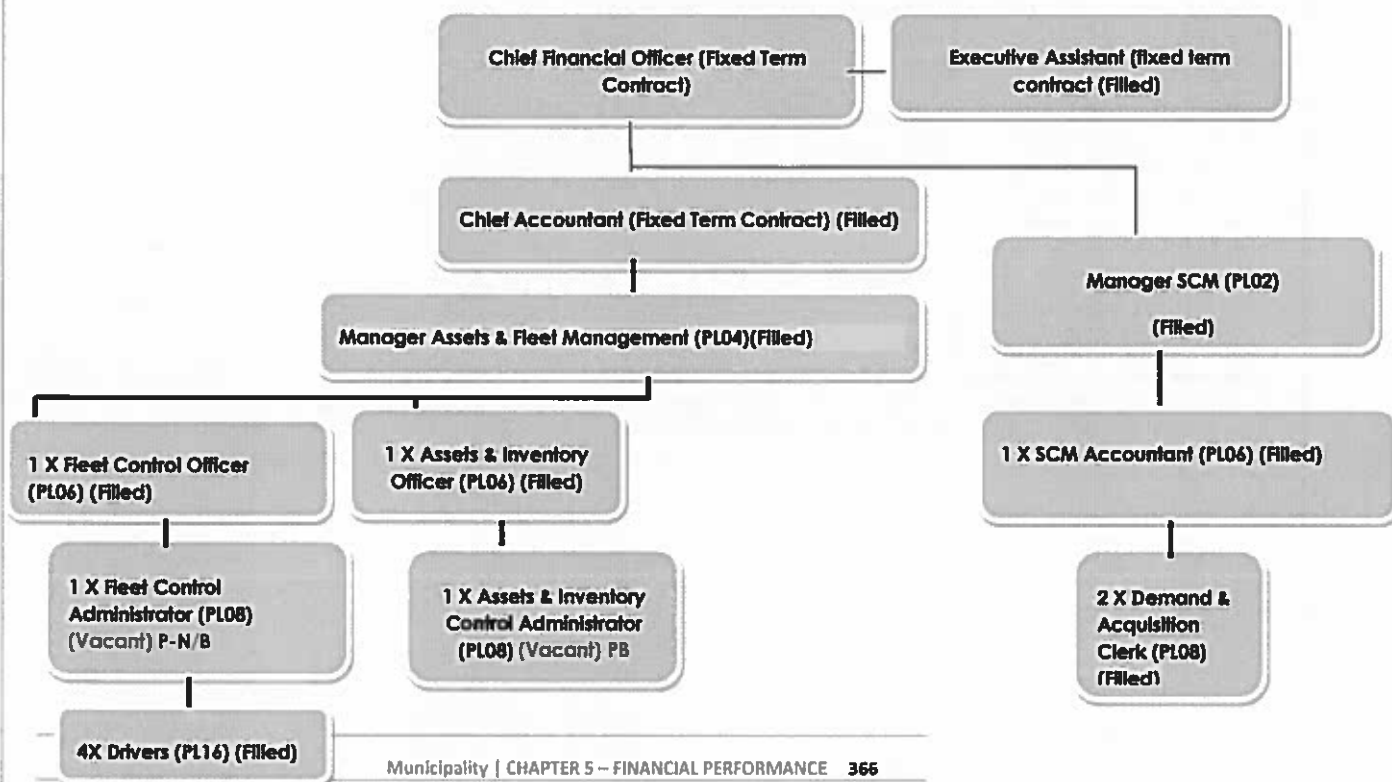
The registration and Inventory Management, management of the utilization and lease of municipal assets is also managed in this section. The Disposal of Municipal Assets and budgeting for and oversight over the use of municipal assets and the responsibilities of this section

The structure below indicates the number of filled and vacant posts within the asset management unit. Due to challenges and the findings raised by Auditor General the Municipality has prioritized and appointed the Asset Manager. Further the budget for the re valuation of municipal assets was set aside to address the qualification by AG. The Municipal assets are insured with Indwe Risk Services.

T5.3.1

Chapter 5

Supply Chain Management, Assets & Fleet Management



Chapter 5

TREATMENT OF THE THREE LARGEST ASSETS ACQUIRED YEAR 0				
Asset 1				
Name	Access Roads			
Description	Ngcanaseni Bagqozni Mngwenyama Access Road			
Asset Type	Road			
Key Staff Involved	PMU			
Staff Responsibilities				
	Year -3	Year -2	Year -1	Year 0
Asset Value				R8 710 000
Capital Implications				
Future Purpose of Asset				
Describe Key Issues				
Policies in Place to Manage Asset				
Asset 2				
Name	Access Roads			
Description	Mqatyeni Access road			
Asset Type	Road			
Key Staff Involved	PMU			
Staff Responsibilities				
	Year -3	Year -2	Year -1	Year 0
Asset Value				7 664 000.00
Capital Implications				
Future Purpose of Asset				
Describe Key Issues				
Policies in Place to Manage Asset				

Chapter 5

Asset 3				
Name	Access Roads			
Description	Ntshamanzi to Saphukanduku			
Asset Type	Road			
Key Staff Involved				
Staff Responsibilities				
	Year -3	Year -2	Year -1	Year 0
Asset Value				3 800 000.00
Capital Implications				
Future Purpose of Asset				
Describe Key Issues				
Policies in Place to Manage Asset				

T5.3.4 Repair and Maintenance Expenditure: Year 0

R' 000				
	Original Budget	Adjustment Budget	Actual	Budget variance
Repairs and Maintenance Expenditure	3 600 000.00	3 520 000	2 183 708	38%
				T 5.3.4

Chapter 5

COMMENT ON REPAIR AND MAINTENANCE EXPENDITURE:

The norm and standards is 20% of the total capital budget, however due to financial constraints and the fact that the Municipality is still addressing the infrastructure backlog we are still behind the requirements of the norms. The spending is at 62% due to projects that were appointed toward the end of the financial year for the renovation of ablution facilities and the contractor that was not accepted by the community.

TS 3.4.1

Chapter 5

5.4 FINANCIAL RATIOS BASED ON KEY PERFORMANCE INDICATORS

COMMENT ON FINANCIAL RATIOS:

The financial ratios clearly indicates that the Municipality has been financial viable. The Municipality has been able to fund both its operational and capital activities. The plan is to build reserves for capital replacement. During the year the controls on expenditure management were put in place and the spending was as per the approved budget.

T5.4.9

COMPONENT B: SPENDING AGAINST CAPITAL BUDGET

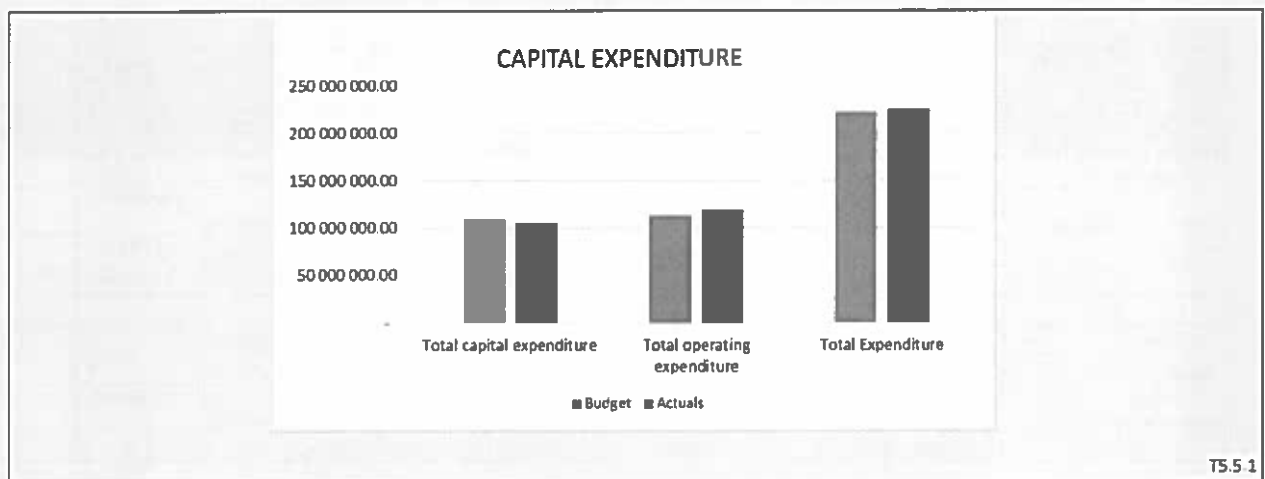
INTRODUCTION TO SPENDING AGAINST CAPITAL BUDGET

Capital expenditure relates mainly to construction projects that will have value lasting over many years. Capital expenditure is funded from grants, borrowings and operating expenditures and surpluses. Component B deals with capital spending indicating where the funding comes from and whether Municipalities are able to spend the available funding as planned. In this component it is important to indicate the different sources of funding as well as how these funds are spend. Highlight the 5 largest projects (see T5.7.1) and indicate what portion of the capital budget they use. In the introduction briefly refer to these key aspects of capital expenditure (usually relating to new works and renewal projects) and to Appendices M (relating to the new works and renewal programmes), N (relating to the full programme of full capital projects, and O (relating to the alignment of projects to wards).

T5.5.0

Chapter 5

5.5 CAPITAL EXPENDITURE



Chapter 5

5.6 SOURCES OF FINANCE

	Year -1	Year 0			Variance	Percentage variance
	Actual	Original Budget (OB)	Adjustment Budget	Actual		
External loans	-	-	7 089 441	37 189 411	2 910 589	75%
Grants and subsidies	44 271 000.00	206 597 000	169 640 724.00	169 640 724	500 000 000	90%
Other	-	14 313 223	18 172 948.00	18 172 948.00	3 593 621	63%
	44 271 000.00	220 910 00	106 013 677.00	92 420 056.00	13 593 621	
Electricity	20 000 000.00	30 000 000.00	39 400 000.00	39 400 000.00	0	0
Roads and storm water	-	25 577 000.00	26 395 001.00	26 395 001.00	0	0
Provincial treasury/ Internal street	-	40 000 000.00	26 498 073	26 498 073	3 593 621	63%
	20 000 000.00	95 770 000				

Chapter 5

COMMENT ON SOURCES OF FUNDING:

The above table indicates the budget on capital grants, and the Municipality has managed to prioritize the capital projects out of its internal reserves.

The Municipality has budgeted to receive the R40.1m on DBSA loan, but only R30.1 was received during the year. The Municipality has received all the grants as budgeted for during the year.

T5.6.1.1

5.7 CAPITAL SPENDING ON 5 LARGEST PROJECTS

Capital Expenditure of 5 largest projects*					
R' 000					
Name of Project	Current: Year 0			Variance: Current Year 0	
	Original Budget	Adjustment Budget	Actual Expenditure	Original Variance (%)	Adjustment variance (%)
Electrification project	30 000 000.00	39 400 000.00			
Buhlambo Access Road	4 048 191.18	4 768 191.18	3 243 202.58		
Dinwayo Access Road	4 293 365.06	499 000	3 813 85.88		
Qhiphu Access Road	650 741.36	0.00	617 088.38		
Mafinyela Access Road	1 132 094.15	0.00	1 075 489.44		
Lugangatho-Mpoza Access Road	3 716 329.55	0.00	3 502 248.96		

Chapter 5

Xhopho Pre school	792 140.58	0.00	320 521.46		
Mpoza Pre school	792 126.36	0.00	518 521.45		
Zola Community Hall	750 365.96	0.00	478 327.72		
Sidakeni Community Hall	734 135.67	0.00	712 435.70		
MPCC	26 118 059.34	0.00	11 879 323.27		
Ntabankulu Internal Streets	39 594 937.46	0.00	26 498 072.77		
Ntabankulu sportfield	6 717 391.60	0.00	2 167 823.24		
Ntabankulu Landfill site	7 761 989.62	0.00	7 761 989.62		
Totals					

* Projects with the highest capital expenditure in Year 0	
Name of Project - Ntabankulu Sports Field	Provision of a sporting facility
Objective of Project	Provision of a sporting facility
Delays	Non- performance of the service provider
Future Challenges	The contractor was terminated and the project will be re advertised.
Anticipated citizen benefits	27481
Name of Project - Construction of Buhlambo Access Road	Construction of a gravel access road 5.2
Objective of Project	to improve accessibility to the residential areas
Delays	None
Future Challenges	None
Anticipated citizen benefits	1160
Name of Project - Dinwayo to Dunusweni Access Road	Construction of a 7 kilometer gravel access road in Ntabankulu Ward 3

Chapter 5

Objective of Project	to improve accessibility to the residential areas
Delays	none
Future Challenges	noe
Anticipated citizen benefits	1007
Name of Project - Mafinyela Access Road	Construction of a gravel access road at connecting Mabudu to Mafinyela in ward 14
Objective of Project	To improve access and mobility of the community members
Delays	None
Future Challenges	None
Anticipated citizen benefits	
Name of Project - Mpoza Pre-school	Construction of a pre-school at Mpoza village in ward 4
Objective of Project	is to construct and complete a pre-school
Delays	Late appointment of a service provider
Future Challenges	None
Anticipated citizen benefits	leaners from 102 house holds will have an access to a preschool
Name of Project - Lugangatho to Mpoza Access Road	Construction of a 7 kilometer gravel access road in ward 4 of Ntabankulu local municipality
Objective of Project	To improve access and mobility of the community members
Delays	None
Future Challenges	None
Anticipated Citizen benefits	Mobility and accessibility will be improved

Chapter 5

Name of Project - Construction of Qlphu access road	Construction of a 1 kilometer gravel access road in ward 9 of Ntabankulu local municipality.
Objective of Project	To improve access and mobility of the community members
Delays	None
Future Challenges	None
Anticipated Citizen benefits	Easy access to other services
Name of Project - Mpcc	Construction of Ntabankulu multi-purpose centre
Objective of Project	Is to improve community services
Delays	None
Future Challenges	None
Anticipated Citizen benefits	To bring services close to the community members
Name of Project - Construction of Xhobo –Pre-schools	Construction of a pre-school at Mpoza village in ward 4

Chapter 5

Objective of Project	Is to construct and complete a pre-school
Delays	Late appointment of a service provider
Future Challenges	none
Anticipated Citizen benefits	facility to accommodate early childhood development
Name of Project - Ntabankulu Electrification program	to provide grid electricity to 680 households in ward 3 and ward 12
Objective of Project	Is to provide grid electricity
Delays	None
Future Challenges	None
Name of Project - Sidakeni Community Hall	Construction of a pre-school at Mpoza village in ward 4
Objective of Project	Is to construct and complete a pre-school

Chapter 5

Delays	Late appointment of a service provider
Future Challenges	
Anticipated Citizen benefits	facility to accommodate early childhood development
Name of Project - Zola Community Hall	Upgrading of a community hall at Zola in ward 18
Objective of Project	is to construct and complete a pre-school
Delays	Late appointment of a service provider
Future Challenges	
Anticipated Citizen benefits	facility to accommodate early childhood development
Name of Project - Ntabankulu Internal Streets	Surfacing of streets in Ntabankulu town
Objective of Project	Is to revitalize Ntabankulu town by providing surfaced streets thus attracting investors , promoting health and safety and improving mobility
Delays	Variation in scope

Chapter 5

Future Challenges	None
Anticipated Citizen benefits	facility to accommodate early childhood development
Name of Project - Bhakubha Community Hall	Surfacing of streets in Ntabankulu town
Objective of Project	Is to revitalize Ntabankulu town by providing surfaced streets thus attracting investors , promoting health and safety and improving mobility
Delays	Variation in scope
Future Challenges	None
Anticipated Citizen benefits	facility to accommodate early childhood development
Name of Project - Bhakubha Community Hall	Ugraging of Bhakubha Community Hall
Objective of Project	The objective of the project is to provide new items l
Delays	Variation in scope
Future Challenges	None

Chapter 5

Anticipated Citizen benefits	facility to accommodate early childhood development
------------------------------	---

COMMENT ON CAPITAL PROJECTS:

The first project above with the highest expenditure is being funded by the Integrated National Electrification programme, and the other projects are funded by Municipal Infrastructure Grant. The projects are implemented as per approved three year capital plan and the conditions of the grants.

T5.7.1.1

Chapter 5

5.8 BASIC SERVICE AND INFRASTRUCTURE BACKLOGS – OVERVIEW

INTRODUCTION TO BASIC SERVICE AND INFRASTRUCTURE BACKLOGS

The Overview on basic service delivery is covered in Chapter 3 above

TS.8.1

Details	Budget	Adjustments Budget	Actual	Variance	
				Budget	Adjust-ments Budget
Roads, Pavements & Bridges	11 577 000.00	10 813 802.00	11 650 475.00	0.86	-
Waste Management-landfill site	8 000 000.00	7 278 856.00	6 794 631.00	-0.15	0.07
Transportation(DLTC)	6 000 000.00	3 484 340.00	3 131 894.00	-0.48	0.10
Total	25 577 000.00	21 577 000.00	21 577 000.00		

Chapter 5

COMPONENT C: CASH FLOW MANAGEMENT AND INVESTMENTS

5.9 CASH FLOW

Description	Ref	2014/15	Budget Year 2015/16						
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1								
CASH FLOW FROM OPERATING ACTIVITIES									
Receipts									
Property rates, penalties & collection charges			2 844		4 707	3 227	382	13%	3 227
Service charges			280		302 885	280	(209)	-75%	280
Other revenue			8 895		7 974	10 376	29 079	327%	10 376
Government – operating			103 352		103 743	104 262	(324)	0%	103 352
Government – capital			103 245		92 293	103 245	371	-10%	103 245
Interest			2 294		2 390	2 294	(1 899)	-83%	2 294
Dividends									
Payments									
Suppliers and employees			(92 838)		(96 214)	(92 838)	3 376	-4%	(92 838)
Finance charges			(100)		2 127	(100)	(100)	100%	(100)
Transfers and Grants									
NET CASH FROM/(USED) OPERATING ACTIVITIES			127 972	-	141 354	127 972	(13 382)	-10%	127 972

Chapter 5

CASH FLOWS FROM INVESTING ACTIVITIES									
Receipts									
Proceeds on disposal of PPE							-		
Decrease (increase) in non-current debtors							-		
Decrease (increase) other non-current receivables							-		
Decrease (increase) in non-current investments							-		
Payments									
Capital assets			(111 536)		(82 756)	(111 536)	(28 780)	28%	(111 536)
NET CASH FROM/(USED) INVESTING ACTIVITIES		-	(111 536)	-	(82 756)	(111 536)	(28 780)	28%	(111 536)
CASH FLOWS FROM FINANCING ACTIVITIES									
Receipts									
Short term loans							-		
Borrowing long term/refinancing							-		
Increase (decrease) in consumer deposits							-		
Payments									
Repayment of borrowing							-		
NET CASH FROM/(USED) FINANCING ACTIVITIES		-	-	-	-	-	-		-
NET INCREASE/ (DECREASE) IN CASH HELD		-	16 436	-	58 598	16 436	1 869 322		16 436
Cash/cash equivalents at beginning:			1 869 322			9 319			-
Cash/cash equivalents at month/year end:		-	8 843 588	-	58 598	8 843 588			16 436

COMMENT ON CASH FLOW OUTCOMES:

The cash flows indicate that the Municipality has been financially sound for the year under consideration.

T5.9.1.1

Chapter 5

5.10 BORROWING AND INVESTMENTS

T 5.10.2 Actual Borrowings: Year -2 to Year 0			
R' 000			
Instrument	Year -2	Year -1	Year 0
Municipality			
Long-Term Loans (annuity/reducing balance)	-	-	37 100 000
Long-Term Loans (non-annuity)			
Municipality Total	-	-	37 100 000

Municipal and Entity Investments			
R' 000			
	Year -2	Year -1	Year 0
Investment* type	Actual	Actual	Actual
Deposits - Bank	105 878 299.00	124 116 981.00	177 027 451.00
Municipality sub-total	105 878 299.00	124 116 981.00	177 027 451.00

Chapter 5

5.11 PUBLIC PRIVATE PARTNERSHIPS

PUBLIC PRIVATE PARTNERSHIPS

During the year the Municipality did not enter into public private partnership

T5.11.1

Chapter 5

COMPONENT D: OTHER FINANCIAL MATTERS

5.12 SUPPLY CHAIN MANAGEMENT

SUPPLY CHAIN MANAGEMENT

The Supply Chain Policy has been reviewed and adopted by the Council on 27th of May 2015. The Supply chain unit is established and fully functional with all the Bid Committees also functional. The municipality complies with the SCM policy and with the legislations, circulars and gazette. The procurement plan has been developed for 2014/2015 and all bid documents exist.

The document management is being improved. Awards above R30 000 were reported to Council and National Treasury on quarterly basis. The data base is updated timeously on an electric supplier data base system. The Municipality have any long term contract awarded during the current financial year. The training for the Supply Chain practitioners was carried out on June 2016. The irregular expenditure reports were investigated and write off by the Council on quarterly basis. The consequence management is also in place.

The Supply Chain Manager is currently attending the CPMD though Fort Hare University. Staff turnover, supply chain management manager, supply chain accountant, acquisition clerk, logistics clerk, one intern and two trainees.

T5.12.1

Chapter 5

5.13 GRAP COMPLIANCE

GRAP COMPLIANCE

The Municipality has prepared the Annual Financial Statements that are GRAP compliant including any interpretation, guidelines and directives issued by the Accounting Standards Board. The AFS are in compliance with the following standards:-

TS.13.1

GLOSSARY

CHAPTER 6 – AUDITOR GENERAL AUDIT FINDINGS

COMPONENT A: AUDITOR-GENERAL OPINION OF FINANCIAL STATEMENTS YEAR 0

6.1 AUDITOR GENERAL REPORTS YEAR 0 (PREVIOUS YEAR)

Auditor-General Report on Service Delivery Performance: Year 13/2014	
Audit Report Status:	Audit report is attached
Non-Compliance Issues	Remedial Action Taken
Limits on budget exceeded	Action plan was developed and implemented and budget is first confirmed by the Manager Budget Accountant before the procurement is carried out
Monthly budget statements and the quarterly reports not placed on municipal website	Reports were placed on municipal website as from January 2015

COMPONENT B: AUDITOR-GENERAL OPINION YEAR 1 (CURRENT YEAR)

6.2 AUDITOR GENERAL REPORT YEAR 1

AUDITOR GENERAL REPORT ON THE FINANCIAL STATEMENTS: YEAR 1

The Municipality has not yet received the audit report for the year 2015/2016, however the audit report for the previous year(2014/2015) is attached and the material findings are listed above

T6.2.3

GLOSSARY

GLOSSARY

Accessibility indicators	Explore whether the intended beneficiaries are able to access services or outputs.
Accountability documents	Documents used by executive authorities to give <i>"full and regular"</i> reports on the matters under their control to Parliament and provincial legislatures as prescribed by the Constitution. This includes plans, budgets, in-year and Annual Reports.
Activities	The processes or actions that use a range of inputs to produce the desired outputs and ultimately outcomes. In essence, activities describe <i>"what we do"</i> .
Adequacy indicators	The quantity of input or output relative to the need or demand.
Annual Report	A report to be prepared and submitted annually based on the regulations set out in Section 121 of the Municipal Finance Management Act. Such a report must include annual financial statements as submitted to and approved by the Auditor-General.
Approved Budget	The annual financial statements of a municipality as audited by the Auditor General and approved by council or a provincial or national executive.
Baseline	Current level of performance that a municipality aims to improve when setting performance targets. The baseline relates to the level of performance recorded in a year prior to the planning period.
Basic municipal service	A municipal service that is necessary to ensure an acceptable and reasonable quality of life to citizens within that particular area. If not provided it may endanger the public health and safety or the environment.
Budget year	The financial year for which an annual budget is to be approved – means a year ending on 30 June.
Cost indicators	The overall cost or expenditure of producing a specified quantity of outputs.
Distribution indicators	The distribution of capacity to deliver services.
Financial Statements	Includes at least a statement of financial position, statement of financial performance, cash-flow statement, notes to these statements and any other statements that may be prescribed.

GLOSSARY

General Key performance indicators	After consultation with MECs for local government, the Minister may prescribe general key performance indicators that are appropriate and applicable to local government generally.
Impact	The results of achieving specific outcomes, such as reducing poverty and creating jobs.
Inputs	All the resources that contribute to the production and delivery of outputs. Inputs are "what we use to do the work". They include finances, personnel, equipment and buildings.
Integrated Development Plan (IDP)	Set out municipal goals and development plans.
National Key performance areas	<ul style="list-style-type: none"> • Service delivery & infrastructure • Economic development • Municipal transformation and institutional development • Financial viability and management • Good governance and community participation
Outcomes	The medium-term results for specific beneficiaries that are the consequence of achieving specific outputs. Outcomes should relate clearly to an institution's strategic goals and objectives set out in its plans. Outcomes are "what we wish to achieve".
Outputs	The final products, or goods and services produced for delivery. Outputs may be defined as "what we produce or deliver". An output is a concrete achievement (i.e. a product such as a passport, an action such as a presentation or immunization, or a service such as processing an application) that contributes to the achievement of a Key Result Area.
Performance Indicator	Indicators should be specified to measure performance in relation to input, activities, outputs, outcomes and impacts. An indicator is a type of information used to gauge the extent to which an output has been achieved (policy developed, presentation delivered, service rendered)
Performance Information	Generic term for non-financial information about municipal services and activities. Can also be used interchangeably with performance measure.
Performance Standards:	The minimum acceptable level of performance or the level of performance that is generally accepted. Standards are informed by legislative requirements and service-level agreements. Performance standards are mutually agreed criteria to describe

GLOSSARY

	how well work must be done in terms of quantity and/or quality and timeliness, to clarify the outputs and related activities of a job by describing what the required result should be. In this EPMDS performance standards are divided into indicators and the time factor.
Performance Targets:	The level of performance that municipalities and its employees strive to achieve. Performance Targets relate to current baselines and express a specific level of performance that a municipality aims to achieve within a given time period.
Service Delivery Budget Implementation Plan	Detailed plan approved by the mayor for implementing the municipality's delivery of services; including projections of the revenue collected and operational and capital expenditure by vote for each month. Service delivery targets and performance indicators must also be included.
Vote:	<p>One of the main segments into which a budget of a municipality is divided for appropriation of money for the different departments or functional areas of the municipality. The Vote specifies the total amount that is appropriated for the purpose of a specific department or functional area.</p> <p>Section 1 of the MFMA defines a "vote" as:</p> <p><i>a) one of the main segments into which a budget of a municipality is divided for the appropriation of money for the different departments or functional areas of the municipality; and</i></p> <p><i>b) which specifies the total amount that is appropriated for the purposes of the department or functional area concerned</i></p>

APPENDICES

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APPENDIX A – COUNCILLORS; COMMITTEE ALLOCATION AND COUNCIL ATTENDANCE

Service Backlogs as at 30 June Year 0				
	*Service level above minimum standard		**Service level below minimum standard	
	No. HHs	% HHs	No. HHs	% HHs
Water		%		%
Sanitation		%		%
Electricity		%		%
Waste management	26910	75%		%
Housing		%		%
% HHs are the service above/below minimum standard as a proportion of total HHs. 'Housing' refers to * formal and ** informal settlements.				

T 5.8.2

Councillors, Committees Allocated and Council Attendance					
Council Members	Full Time / Part Time	Committees Allocated	*Ward and/ or Party Represented	Percentage Council Meetings Attendance	Percentage Apologies for non-attendance
	FT/PT			%	%
1.Cllr. N. Ndabeni (Speaker)	Full-time	Council Chairperson	ANC	100%	0%
2.Cllr. V. Mgoduka (Mayor)	Full-time	EXCO Chairperson	ANC	86 %	14%
3.Cllr. S.W.Sopaqa(Chief Whip)	Part – time	EXCO Member and chairperson P.P. & Petitions committee	ANC	86%	14%
4. Cllr. L. Ntatini	Part – time	EXCO Member; and chairperson of IPD committee	ANC Ward 04	64%	36%
5. Cllr. L.N. Ndamase	Part – time	EXCO Member and chairperson Standing Committee Community Serv.	ANC	64%	36%

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6. Cllr. K. Nonkondlo	Part time	EXCO Member and Chairperson of BTO	ANC	7%	93%
7. Cllr. M. Magatyane	Part-time	EXCO Member	COPE	29%	71%
3 Cllr. N. Mpompoza		EXCO member and chairperson Strategic & Planning Standing Committee	Ward 15 (ANC)	79%	21
6. Cllr. M. Thyalibongo	Part time	EXCO Member and Corporate Serv. Standing Committee Chairperson	ANC ward 06	64%	36%
7. Cllr. N. Ncekana	Part-time	BTO Standing Committee member	ANC	43%	57%
8. Cllr. L. Sigongotho	Part-time	Rules, Ethics & Members Interest Committee	Ward (ANC)	57 %	43%
9.Cllr.M.Gweqani	Part-time	EXCO and IPD Standing Committee	ANC	71%	29%
10 Cllr. M. Madikizela	Part-time	Standing Committee Member BTO	ANC	71%	29%
11.CI V. Mathwasa	Part-time	Chairperson Rules Committee		79%	21%
12. Cllr. M. Mtakasi	Part-time	Standing Committee Member Corporate Services	ANC	86%	14%
13. Cllr. N.V. Sogoni	Part-time	Standing Committee Corporate Services	ANC	50%	50%
14Cllr. K.Nomanzoyiya	Part time	Standing Committee Community Services	ANC	79%	29%
1. Cllr. M.D. Mkhize	Part time	Standing Committee Community Services	ANC	79%	29%
2. Cllr. S.W. Magagasa	Part-time	Standing Committee Community Services	ANC	86%	14%
3. Cllr. M.Phoswa	Part-time	Standing Committee Community Services	ANC	79%	29%
4. Cllr. M. Mamfengu	Part-time	P.P& Petitions Committee	ANC	93%	07%

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5. Cllr. V. Macebo	Part-time	P.P& Petitions Committee	ANC	53%	47%
6. Cllr. N. Zweni	Part-time	P.P& Petitions Committee	ANC	43%	57%
7. Cllr. T. Msuthu	Part-time	Rule, Ethics & Members Interest	ANC	79%	21%
8. Cllr. B. Ntutuka	Part-time	Rule, Ethics & Members Interest	ANC	50%	50%
9. Cllr. N. Ndoyisile	Part-time	Rule, Ethics & Members Interest	D.A.	64%	36%
10. Cllr N. Mazaza	Part time	MPAC	ANC ward 18	14%	86%
11. Cllr L. Tala-tala	Part-time	MPAC	UDM	21%	79%
12. Cllr. N. Pikwa	Part-time	MPAC	ANC Ward 14	36%	64%
13. Cllr. N. Mbonomtsha	Part-time	MPAC	ANC	50%	50%
14. Cllr. B.Z. Ndamase (MPAC Chair)	Part-time	MPAC	ANC Ward 12	79%	21%
15. Cllr. S. Scwayi	Part -	MPAC	ANC Ward 13	79%	21%
16. Cllr. M. Siguqa	Part-time	Municipal Public Accounts Committee	ANC	50%	50%
17. Cllr. S. Cembi	Part-time	MPAC	ANC Ward 02	57%	43%
18. Cllr. R. T. Luvela	Part-time	Standing Committee Member BTO	ANC	36%	64%
19. Cllr. Z. Lwane	Part-time	EXCO	ANC	36%	64%
20. Cllr. S. Nompula	Part-time	Chairperson of BTO	ANC	0%	0%
21. Cllr. N. Sobuthongo	Part-time	Standing Committee of BTO	ANC	7%	93%
T A					

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CONCERNING TA

A spreadsheet exists to compile attendance data

TA.1

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APPENDIX B – COMMITTEES AND COMMITTEE PURPOSES

Committees (other than Mayoral / Executive Committee) and Purposes of Committees	
Municipal Committees	Purpose of Committee
Section 79 Committees	
1. Ethics, Rules and Members Interests	<p>To undertake review of the Rules of Order, procedures and regulations of the council committees and recommend changes to that effect to Council.</p> <p>To undertake a review and/or develop policies on councillor's welfare and recommend changes to the Council, by way of reporting to the Speaker of Council.</p> <p>To develop programmes and activities to promote ethical practice and to combat corruption</p>
2. Public Participation and Petitions	<p>To monitor the process of receiving, addressing and responding to complaints from the community.</p> <p>To consider issues that may pose political risk pertaining to public participation.</p> <p>To monitor the update of the petitions register</p>
3. Municipal Public Accounts Committee	<p>The objective of the committee is to serve as an oversight committee to exercise oversight over the executive obligations of council.</p> <p>To assist council to hold executive and municipal entities to account and to ensure the efficient and effective use of municipal resources.</p> <p>To increase council and public awareness of the financial and performance issues of the municipality and its entities including policy operation and implementation of local government.</p>
Section 80 Committees	
1. Community Services Committee	<p>The committee has the responsibility to:</p> <ul style="list-style-type: none"> Support the provision of Library Services Consider Solid Waste collection and disposal Regulate Landfill site and Environmental Management programmes Assist in the maintenance and management of Public Amenities e.g. Community Halls, Cemeteries, Pound, Parks & Sport fields Assist in the enforcement of Roads Traffic-laws and Municipal Traffic by-laws Promote safeguarding of Municipal Assets and Properties Assist in the coordination of Public Participation programs and Council Support Assist in coordination and development of Community Sport, Arts and Culture

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2. Infrastructure Planning and Development Committee	<p>The committee assists the Council to promote service delivery within the municipality,</p> <p>Encouragement of liveable and sustainable human settlements,</p> <p>The Committee must recommend the provision or approval of funds for unforeseen infrastructural development services,</p> <p>To report to the Council about the infrastructural projects that are planned for the development of the district municipality,</p> <p>To ensure that the municipality delivers the quality service delivery to the communities.</p>
3. Strategic Development and Planning Committee	<p>To discuss and report about the programs of the local economic development,</p> <p>The committee works towards broadening advancement of Black Economic Empowerment,</p> <p>The committee develops strategies to promote tourism within the local municipality,</p> <p>Establishment of poverty alleviation initiatives,</p> <p>Monitor progress on planning and the use of land after transfer,</p> <p>Revitalisation of town.</p>
4. Budget and Treasury Office Committee	<p>To participate on the drafting of budget and adjusted budget,</p> <p>To participate on the formulation of the IDP and Budget,</p> <p>Assist the Council in the allocation if applicable, the distribution of grants made to the municipality,</p> <p>Assist the Council in the refuse removal, rental, trading tariffs and pound fees or related matters including the collection of revenue thereof</p>
Corporate Services Committee	<p>Receive reports and evaluate progress on Human Resources issues,</p> <p>Consider matters related to job evaluation and grading of staff,</p> <p>Consider performance management of the institutions,</p> <p>Make recommendations on Development of Human Resource Policy Manual and on continuous review of Human Resources policies,</p> <p>Deal with the Implementation of new organisational structures and strategies,</p> <p>Consider labour relations matters and Human Resource and development,</p>

T B

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APPENDIX C –THIRD TIER ADMINISTRATIVE STRUCTURE

Third Tier Structure	
Directorate	Director/Manager (State title and name)
Office of the Municipal Manager	Municipal Manager: Ms. S. Mankahla
Corporate Services Directorate	Corporate Services Director: Mr. S.M. Nodo
Community Services Directorate	Community Services Director: Mr. S. Matiwane
Infrastructure Planning & Development Directorate	Infrastructure Planning & Development Director: Ms. C.H. Qotoyi
Budget & Treasury Directorate	Acting Chief Financial Officer: Ms. N. Gixane & Ms. N. Mdutyana
Strategic & Development Planning Directorate	Strategic & Development Planning Director: Mrs. N. Ndlaku
Use as a spill-over schedule if top 3 tiers cannot be accommodated in chapter 2 (T2.2.2).	
TC	

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APPENDIX D – FUNCTIONS OF MUNICIPALITY / ENTITY

Municipal / Entity Functions		
MUNICIPAL FUNCTIONS	Function Applicable to Municipality (Yes / No)*	Function Applicable to Entity (Yes / No)
Constitution Schedule 4, Part B functions:		
Air pollution	No	No
Building regulations	Yes	No
Child care facilities	No	No
Electricity and gas reticulation	Yes	Yes
Firefighting services	No	No
Local tourism	Yes	Yes
Municipal airports	No	No
Municipal planning	Yes	Yes
Municipal health services	No	No
Municipal public transport	No	No
Municipal public works only in respect of the needs of municipalities in the discharge of their responsibilities to administer functions specifically assigned to them under this Constitution or any other law	No	No
Pontoons, ferries, jetties, piers and harbors, excluding the regulation of international and national shipping and matters related thereto	No	No
Storm water management systems in built-up areas	Yes	Yes
Trading regulations	Yes	Yes
Water and sanitation services limited to potable water supply systems and domestic waste-water and sewage disposal systems	No	No
Beaches and amusement facilities	No	No
Billboards and the display of advertisements in public places	Yes	Yes
Cemeteries, funeral parlours and crematoria	Yes	Yes

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Cleansing	Yes	Yes
Control of public nuisances	No	No
Control of undertakings that sell liquor to the public	Yes	Yes
Facilities for the accommodation, care and burial of animals	Yes	Yes
Fencing and fences	Yes	Yes
Licensing of dogs	No	No
Licensing and control of undertakings that sell food to the public	Yes	Yes
Local amenities	Yes	Yes
Local sport facilities	Yes	Yes
Markets	Yes	Yes
Municipal abattoirs	Yes	Yes
Municipal parks and recreation	Yes	Yes
Municipal roads	Yes	Yes
Noise pollution	No	No
Pounds	Yes	Yes
Public places	Yes	Yes
Refuse removal, refuse dumps and solid waste disposal	Yes	Yes
Street trading	Yes	Yes
Street lighting	Yes	Yes
Traffic and parking	Yes	Yes
<i>* If municipality: indicate (yes or No); * If entity: Provide name of entity</i>		<i>T D</i>

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APPENDIX E – WARD REPORTING

Functionality of Ward Committees					
Ward Name (Number)	Name of Ward Councilor and elected Ward committee members	Committee established (Yes / No)	Number of monthly Committee meetings held during the year	Number of monthly reports submitted to Speakers Office on time	Number of quarterl y public ward meeting s held during year
Ward 01	ClIr M. D. Mkhize Ward committees A. Gwanya B. Bethwayo N. Wali Z. Nogwanya Z. Mtlaka N. Notswabu T. Siwewe N. Mkhumbeni M. Gasela/ Mangaliso N. Mjokovana	Yes	32	24	12
Ward 02	ClIr S. Cembali Ward committees N. P. Mgoqi) M. Madadasi L. I. Mntuyedwa V. S. Mathenjwa N. Mbodla K. T. Nomponti M. P. Mgamane Z. G. Notswabu N. Klaas M. Mbi	Yes	28	24	17

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Ward 03	Cllr K. Nomanzoyiya Ward committees N. Sawule N. B. Ngxokolwana Z. Mngomeni N. Ntkabathi T. Mphamba S. Mqukulu N. Khambafuthi M. Tshaka R. N. Buqwe M. Jojo	Yes	28	24	18
Ward 04	Cllr L. Ntantini Ward committees N. Makhwabasa O. Nikelo N. Mambafula T. Javu V. Nonkonjane S. Nodali B. Ntlobe P. Ntlobe V. Mabhulu N. Mqalana	Yes	27	24	19
Ward 05	Cllr V. Macebo Ward committees N. Ntame M. Ngidi N. Sotshangane N. N. Maqela N. A. Yathela S. N. Mtinga S. Mdibaniso N. Xhalasile M. Nocuze N. Mtofile	Yes	27	24	9

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Ward 06	Cllr M. Tyhalibhongo Ward committees P. E. Mayekiso T. Somfiyane Z. Nabo Z. Nogaya N. Khululwa N. Nyanza M. Sitsheke Z. Nophuza C. T. Khenya	Yes	31	24	17
Ward 07	Cllr B. B. Ntutuka Ward committees S. Menziwa A. Notshaya Z. Tantsi Z. Tantsi N. Tiwane T. Voyi O. Mbiko N. Tantsi M. Gqumeni G. Mgumpe	Yes	31	24	19
Ward 08	Cllr L. L. Sigongotho Ward committees X. Zenzile M. Mazithobile S. Ngudle M. Mathinjwa S. Mfufu S. Nkweba L. Honoza N. Nokhwenkwe M. Mji Z. Makhamte	Yes	24	24	19
Ward 09	Cllr V. Matwasa Ward committees A. Magandela N. Mqotshwa M. Mpetsheni N. N. Ntakana P. Cunukelo Z. Msindo L. A. Ngxiwayizali N. Nomsa N. Thonga N. Bango	Yes	30	24	20

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Ward 10	Cllr N. S. Ncekane Ward committees P. G. Matuba-tuba M. Mxhonywa N. Mhlakulwana N. L. Cwati K. Zaqoshela N. F. Chita N. Mkoyana K. Zweni P. N. Mhlele S. Tantsi	Yes	27	24	11
Ward 11	Cllr N. Zweni Ward committees D. Nontswabu P. P. Nose M. P. Magalana P. Nomandindi N. E. Mtimde Z. Mrhwetyana K. S. Nkae-nkae O. Mngqinya M. M. Mbhashe	Yes	29	24	15
Ward 12	Cllr B. Z. Ndamase Ward committees M. Mayambela N. Nama M. Matiwane N. Qegwana V. Mkhanya T. Sidinana O. T. Sibondana M. V. Dwayana N. Mandleliza H. Kenya	Yes	29	24	15
Ward 13	Cllr S. Sicwayi Ward committees N. Qalani T. Thunzi N. Mpongoma B. B. Ngoni S. Mbomane N. L. Baleni N. Mjila P. Matuba-tuba K. Mgoduswa	Yes	27	24	13

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Ward 14	Clr N. S. Pikwa Ward committees N. Lungu N. Nokwakha N. Diko L. Matshoba T. F. Morlock P. Madikane T. Pikiso L. Mgotywa M. Ndleke-ndleke N. Mtu	Yes	29	24	19
Ward 15	Clr S. Sopaqa Ward committees Z. Mahlezana N. Gcaba N. N. Mthezankuni N. Maqhakama N. Maphethela J. Simayile R. Msongelwa Z. G. Mbatu N. Gogo N. Mbendeni	Yes	28	24	27
Ward 16	Clr T. Msuthu Ward committees V. Yalezo N. Mputhane N. Ncinci E. Mpathane Y. Mabala-bala M. Mbi F. Mashiyi N. Nteta N. Msutu B. Mahonga	Yes	29	24	15
Ward 17	Clr M. Mamfengu Ward committees N. Khetshe N. Mamfengu N. Pikwa B. Maxhakana B. Mzamane S. Sibewu S. Mhlanjwa N. Mkala N. B. Vengwa N. Bhisolo	Yes	29	24	13

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Ward 18	Cllr N. Mazaza Ward committees Z. Dinga S. Nxontsa M. Sifede N. Mgwebi S. Malurasi B. Nompula N. Waka T. Dambuza P. H. Moreki N. Nontleme	Yes	29	24	13
					<i>TE</i>

APPENDICES

APPENDIX F – WARD INFORMATION

Ward Title: Ward Name (Number)				
Capital Projects: Seven Largest in Year 1 (Full List at Appendix O)				
R' 000				
No.	Project Name and detail	Start Date	End Date	Total Value
Ward 9	Ntabankulu Sport Field	Jul-15	May-16	R 8 000 000
Ward 17	Buhlambo Access Road	Jul-15	May-16	R 3 000 000
Ward 4	Lugangatho to Mpoza Access Road	Jul-15	May-16	R 3 800 000
Ward 3	Dinwayo to Dunusweni Access Road	Jul-15	May-16	R 4 000 000
Ward 9	Multi Purpose Community Centre	Jul-15	May-16	R 6 000 000
Ward 9	Urban Internal Street Surfacing	Jul-15	May-16	R 34 000 000
T F.1				

Top Four Service Delivery Priorities for Ward (Highest Priority First)		
No.	Priority Name and Detail	Progress During Year 0
	Water & Sanitation	13.4 % Water and Sanitation 30%
	Housing	
	Roads infrastructure	61 km (9.9%)
	Electricity	29.5%
T F.3		

APPENDICES

ELECTED WARD MEMBERS (STATING NUMBER OF MEETING ATTENDED – MAXIMUM 12 MEETINGS)

All 18 wards have established ward committees that are fully functional. The average of meetings attended by ward committees is ranging between an average of 29 – 31 meetings.

T F.3

APPENDIX G – RECOMMENDATIONS OF THE MUNICIPAL AUDIT COMMITTEE YEAR 1

Municipal Audit Committee Recommendations		
Date of Committee	Committee recommendations during Year 0	Recommendations adopted (enter Yes) If not adopted (provide explanation)
21/08/2015	17	15
18/09/2015	12	10
13/11/2015	10	8
14/12/2015	3	1
12/02/2016	17	7
15/04/2016	7	2
09/05/2016	4	1
27/06/2016	20	Waiting for the next audit committee meeting for reporting
T G		

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APPENDIX I – MUNICIPAL ENTITY/ SERVICE PROVIDER PERFORMANCE SCHEDULE

MUNICIPAL MANAGER'S OFFICE

NAME OF A PROJECT	CONTRACTOR	PROJECT DURATION	PROJECT SATISFACTORY	Reasons on satisfactory/not satisfactory
Internal Audit Unit				
Outsourcing of Internal Audit projects	Nyalambisa Financial Services	May 2015 - October 2016	Satisfactory	The performance of the service provider is satisfactory, furthermore, apart from the planned audits for 2015/2016 they have also executed ad hoc audits on request by management and the audit committee and they reported on all those ad hoc reviews.
Legal Services Unit				
Legal Services	Mbabane & Sokutu Inc	November 2016 - November 2018	Satisfactory	All instructions given to the firm were carried out as per the instructions.
Project Management Unit				
Ntabankulu Sports field	Thiyane contractors	Sept 2015 - Jan 2016	Not satisfactory	The contractor couldn't meet the milestone of the projects even after submitting the revised program then the contract was terminated.
Buhlamba Access Road	Tengal CC	Sept 2015 - March 2016	Satisfactory	The project has been completed on time and the quality of work has been achieved. The project is currently on defects liability period.
Dinwayo to Dunusweni Access Road	Lupicon JV Apola Trading	Sept 2015 - March 2016	Satisfactory	The project has been completed on time and the quality of work has been achieved. The project is currently on defects liability period.
Mafinyela Access Road	Ezemjoli Construction	March 2016 - June 2016	Satisfactory	The project has been completed on time and the quality of work has been achieved. The project is currently on defects liability period.
Mpoza Pre-School	Nalwenovel JV maziya	January 2016 - April 2016	Satisfactory	The project is still under construction and is 91% complete; furthermore, the quality of work is still according to the specification of the project. However, the project delayed due to the community constantly changing site where the

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				pre-school should be constructed as a result the service provider started working on the 1 st March 2016, therefore the duration of the project was extended to end of August 2016.
Lugagatho Mpoza Access Road	Gadalana Trading JV Shining Sky	Sept 2015 - April 2016	Satisfactory	The project has been completed on time and the quality of work has been achieved. The project is currently on defects liability period
Ntabankulu MPCC	Inyameko Trading	May 2015 - November 2016	Satisfactory	The project is still under construction and the quality of work is according to the specification of the project. However, the project delayed due to revised drawings for roof structure and the specification for swimming pool was submitted late to the supplier by the consultant in order for them to do the quotations. The service provider has managed to speed up the progress to recover from the time lost.
Qiphu Access Road	Congolose Trading JV Shining Sky	March 2016 - June 2016	Satisfactory	The project has been completed on time and the quality of work has been achieved. The project is currently on defects liability period
Xhopo Pre-School	Somakhala Contractors	January 2016 - April 2016	Satisfactory	The project is still under construction and is 85% complete; furthermore, the quality of work is still according to the specification of the project. However, the project delayed due to bad terrain that leads to double handling of material and the scarcity of water. The revised completion date is end of August 2016
Electrification Mthukukazi and Tsita	RPS Ilangabi	January 2016 - June 2016	Satisfactory	The Mthukukazi project is still under construction and the quality of work still according to the specification of the project. The Tsita project has been complete. The delay was due to the late appointment of the service provider.
Sidakeni Community Hall	Mvumeza Construction	March 2016 - June 2016	Satisfactory	The project has been completed on time and the quality of work has been achieved.
Zola Community Hall	Wowo Construction JV Shining Sky	March 2016 - June 2016	Satisfactory	The project is still under construction and is 98% complete, however the project has delayed due to cash flow problems of the service provider and an extension for the duration of the project was granted by the municipality to end August 2016. The quality of work by the service provider is still as per the specification.
Ntabankulu Internal Street	Qumbiso JV Best	July 2015 - May	Satisfactory	The project is still under construction and phase one has

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	Thought Trading & Projects	2016		been completed on time and the quality of work has been achieved. However, phase two (main road) has not yet commenced due to the application of additional funding. Additional funding was requested by the service provider after the assessments by Engineers which they found that there is ground water and that led to change of design and scope of work to be done. The municipality has done the report for the additional funding of approximately R10 million.
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CORPORATE SERVICES

NAME OF A PROJECT	CONTRACTOR	PROJECT DURATION	PROJECT SATISFACTORY	Reasons for satisfactory/ not satisfactory
Supply & delivery of cleaning material	Mcintosh Trading Enterprise	Feb 2015 - Feb 2016	Not satisfactory	Most of the time the cleaning material delivered was not as per the specification as a result it would be returned every now and then, furthermore, the service provider was not delivering on time.
Supply photocopying machinery	Capital Office Automation	July 2014 - June 2017	Not Satisfactory	The performance of the service provider is still not satisfactory due to them leasing the old machines and that has been raised in monthly meetings with the service provider, furthermore, the technician were not made available to address the technical errors. Meetings were held constantly with dissatisfaction of the performance and there is still no improvement.
Supply and delivery of Stationery	Okukhulukuyaza	June 2015 - July 2017	Satisfactory	The stationery delivered is still as per the municipality's requirements and was delivered on time.
Clocking System	Uniclox	Not stated	Satisfactory	The performance of service provider is satisfactory, however the clocking machine is currently not in use due to it being damaged during the protest of staff, the municipality reported the incident with the service provider and they have agreed that it will be replaced as soon as they receive the old clocking machine which will be delivered to the service provider by the municipality.
Information Technology Unit				

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Telkom Internet- DIS Silver	Telkom	Dec 2012 – Dec 2016	Satisfactory	All the services were performed according to time frames and support was conducted as per the SLA
Cibecs backup system	Sakhisizwe trading Enterprise	June 2015 – June 2016	Satisfactory	All the services were performed according to time frames and support was conducted as per the SLA

COMMUNITY SERVICES

NAME OF A PROJECT	CONTRACTOR	PROJECT DURATION	SATISFACTORY/ NOT SATISFACTORY	Reasons for satisfactory/ not satisfactory
Outsourced Security Services	Liqai Trading T/A Mlob	Feb 2016 - Feb 2017	Not satisfactory	The performance of the service provider is not satisfactory due to noncompliance of the SLA with regards to the installation of the CCTV cameras which have not been done by the service provider since the inception of the contract. The meeting was held between the service provider, Director: Community Services, Senior Security Officer and the Municipal Manager, the service provider explained that he will not be able to install CCTV cameras as he was advised that there will be a variation order solely for installation of cameras, however there is no addendum to the existing SLA to substantiate such information. Furthermore the specification on the advert issued was inclusive of the CCTV camera hence the inclusion in the SLA.

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INFRASTRUCTURE PLANNING AND DEVELOPMENT

NAME OF A PROJECT	CONTRACTOR	PROJECT DURATION	SATISFACTORY/ NOT SATISFACTORY	Reason for satisfactory/ not satisfactory
Nlabankulu Roads Maintenance	Kuyazanywa Acropax JV	Dec 2015 – Feb 2016	Not Satisfactory	The service provider completed the works in June 2016 which was beyond its specified time frame, the delays were due to service delivery protest and their plant machinery was damaged by protestors. Furthermore, the municipality had also changed the scope of work for the service provider and that also led to two weeks of delay.

STRATEGIC PLANNING AND DEVELOPMENT

NAME OF A PROJECT	CONTRACTOR	PROJECT DURATION	SATISFACTORY/ NOT SATISFACTORY	Reasons for satisfactory/ not satisfactory
Town Planning				
Middle income development	Glad Pam	March 2015 – March 2030	Satisfactory	The project is satisfactory and very professional as they adhere to the timeframes and submit reports where necessary
Office park development	Glad Pam	March 2015 - March 2045	Not satisfactory	The service from Glad Pam was not up to standard due to the unforeseen challenges experienced. It became challenging to get a letter of intent to let from public works. As a result they could not secure lease agreements with government departments & development finance.
Commercial Purposes	MGM jr. ABSIT	Aug 2015- Sep 2040	Satisfactory	The project is satisfactory and very professional as they adhere to the timeframes and submit reports where necessary
Infill development	Glad Pam	March 2015 - March 2045	Not satisfactory	The service from Glad Pam was not according to the signed SLA and this was due to the results of the feasibility study that they undertook which recommended that the site be swapped with a site on the main road.
Bricks Making	KAAZ cc	July 2015 – July 2020	Not Satisfactory	The service was poor due to unforeseen delays now that there is an addendum to the initial agreement the quality of service

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				might improve. The unforeseen problem according to the service provider is the economic down turn which made the rand weaker than the Chinese currency.
Local Economic Development				
School furniture Refurbishment	Furtech	Nov 2015 - Dec 2015	Satisfactory	The services were delivered as agreed and the service provider has met the deadlines.
Supply of Fertilised eggs	Myendeki Trading Enterprise	March 2016 - April 2016	Satisfactory	The services were delivered as agreed
Masikhule Poultry Co-operative	Lonaletu Agri- Business CC	Oct 2015 - Nov 2015	Not Satisfactory	The services were not as agreed, however the services were delivered after there was an addendum made to compensate on poor performance.
Collection and delivery of School furniture for refurbishment	Imijoli Investments	7th April 2016 - 9th April 2016	Satisfactory	The services were delivered as agreed
Special Projects Unit				
Learner Driver Program	Mfura Project	Feb 2016 – June 2016	Satisfactory	The performance is still satisfactory, furthermore, the contract was extended to end October 2016 due to the learners constantly failing the driving tests. The total number of learners was 18, and 10 of them have passed the driving tests and 8 have failed but have dates for reassessment. hence the extension

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BUDGET AND TREASURY OFFICE

NAME OF A PROJECT	CONTRACTOR	PROJECT DURATION	SATISFACTORY/ NOT SATISFACTORY	Reasons for satisfactory/ not satisfactory
Supply Chain Management				
Travel agent Services	Slieza Travel agent	Dec 2014 - Dec 2016	Not satisfactory	The service provider has constantly made errors in bookings or sometimes not pay for the bookings at all as a result on some occasions employees had to pay from their own pockets, however the issues were communicated with the service provider with the little improvement on their side. This has led to the hotel accommodations harassing the SCM employees and the municipality might have a bad reputation of not paying the service providers.
Financial Accounting System	Camelsa Consultant	March 2015 - Dec 2017	Satisfactory	The project is satisfactory and the services provided are as per the agreed SLA, furthermore the technicians are made available whenever there are challenges in the system.
Financial Improvement	Ilitha Lelizwe	Feb 2016 - Feb 2018	Satisfactory	The project is satisfactory, furthermore, an additional member who is a qualified CA has recently joined the team and there has been a significant improvement in the quality of financial statements.
Valuation of Immovable Assets	Geo-Spatial	March 2016 - Nov 2016	Not satisfactory	The service provider has not delivered on time and the information submitted on the set deliverable targets is incomplete. Several engagements were made with the service provider in the form of meetings and emails; however there are still gaps in terms of performance.
Valuation Roll	Geo-Spatial	16 Jan 2013 – June 2017	Satisfactory	The performance of the service provider was satisfactory and the supplementary valuation was submitted, therefore the billing process for new properties was done by the municipality.
Revenue Enhancement Strategy	Maq Consultants	Aug 2015 - Dec 2015 (extended)	Satisfactory	The quality of the work delivered is up to an acceptable standard, such as the revenue enhancement strategy developed.

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APPENDIX J – DISCLOSURES OF FINANCIAL INTERESTS

Disclosures of Financial Interests		
Period 1 July to 30 June of Year 0 (Current Year)		
Position	Name	Description of Financial interests* (Nil / Or details)
(Executive) Mayor	Vusumzi Mgoduka	Nil
Member of MayCo / Exco	Khanyiso Nonkondlo	Membership in Close corporation, other employment and remuneration.
	Nonzwakazi Ndamase	Nil
	Mamziwakhe Tyhalibongo	member of the Close co-operation
	Linuxolo Ntantini	Nil
	Nonkululeko Mpompoza	Shares, member of close co-operation & Directorship.
	Mandla Magatyana	Nil
Councillor	Bhongolethu Ndamase	Nil
	Sifiso Sicwayi	Nil
	Noxolo Mazaza	Nil
	Vuyokazi Matwasa	Indirect interest arising from spouse to the first degree
	Nophatheka Ndabeni	Have other employment, another pension other than the one received from the Councillor.
	Sesulo Sophaqa	Nil
	Ncebakazi Pikwa	Nil
	Kholeka Nomandzoyiya	Interest in subsidised grant and sponsorship by any organisation.
	Luvuyo Tala-tala	Have business enterprises
	Sabelo Cembi	Shares in company, interest in trust and other financial interest in any business and interest in property, & indirect interest arising from spouse/relative in first degree.
	Nozamile Ncekana	Nil
	Zuku Lwana	Nil
	Vusumzi Macebo	Nil
	Thembakazi Msuthu	Nil
	Noma-India Mbonomtsha	Nil
	Bulelani Ntuthuka	Shares in Moffat
	Nofumaneka Ndoyisile	Nil, have other employment and remuneration.
	Mfaneleko Mkhize	Nil
	Mathembinkosi Gweqani	Nil
	Sipho Nompula	Nil
	Nontombi Sogoni	Nil

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	Mlungisi Mamfengu	Nil
	Siwili Magagasi	Nil
	Manelisi Siguqa	Share in securities in a company, membership in CC, interest in a trust, directorship, other financial interest in a business, other employment and remuneration, interest in property & pension other than the one received as Councillor
	Lungile Sgongotho	Nil
	Mbedeshi Madikizela	Indirect interest and business associate or relative to the first degree.
	Msitheli Poswa	Nil
	Mbongeni Mthakasi	Other financial interest in any business.
	Nonzame Zweni	Interest in a trust
Municipal Manager	Sindiswa Mankahla	Yes, other financial interest in Balula Trading Enterprise
Acting Chief Financial Officer	Ms. N. Gixane Ms. N. Mdutyana	Nil Nil
Deputy MM and (Executive) Directors	Simlindile Nodo	Interest in property, shares in companies, partnership/ CC & indirect interest arising from spouse.
	Chuleza Qotoyi	Nil
	Nontsikelelo Ndlaku	Nil
	Solomon Matlwane	Nil
Other S57 Officials	N/a	
	N/a	
	N/a	
	N/a	
	N/a	
	N/a	

** Financial interests to be disclosed even if they incurred for only part of the year. See MBRR SA34A TJ*

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APPENDIX K: REVENUE COLLECTION PERFORMANCE BY VOTE AND BY SOURCE

APPENDIX K (i): REVENUE COLLECTION PERFORMANCE BY VOTE

Vote Description	Year -1	Current: Year 0		
	Actual	Original Budget	Adjusted Budget	Actual
Vote 1-Council	105 400	805 366	805 366	805 366
Vote 2-Municipal Manager	810 406	4 539 464	7 595 260	7 595 260
Vote 3- Finance	9 320 028	21 557 281	26 550 848	26 550 848
Vote 4-Corporate Service	7 146 264	6 420 000	7 624 442	7 624 442
Vote 6-Community	7 040 192	6 916 280	5 288 682	5 288 682
Vote 7-Strategic	2 343 844	2 850 000	2 888 722	2 888 722
Vote 8-Project Management		1 319 750		
Vote 10-Infrastructure	2 027 781	2 700 000	1 990 747	1 990 747
Total Revenue by Vote	28 793 915	47 108 141	52 744 067	52 744 067

Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual.
This table is aligned to MBRR table A3

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Revenue Collection Performance by Source				
R '000 REVENUE COLLECTION FINANCIAL PERFORMANCE				
Description	Year -1	Year 0		
	Actual	Original Budget	Adjustments Budget	Actual
Property rates	2 721 629	2 844 359	3 226 556	4 707 812
Property rates - penalties & collection charges				
Service Charges - refuse revenue	232 708	279 947	279 947	302 885
Rentals of facilities and equipment	947 830	1 099 409	1 103 539	721 199
Interest earned - external investments	2 229 577	2 293 857	2 025 000	1 585 583
Fines	1 186 576	1 700 746	1 700 746	1 382 776
Transfers recognised - operational	141 758 516	103 352 000	104 741 570	103 742 858
Other revenue		8 895 059	13 122 321	11 436 534
Total Revenue (excluding capital transfers and contributions)	149 619 269	120 465 377	126 199 679	123 879 647

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APPENDIX L: CONDITIONAL GRANTS RECEIVED: EXCLUDING MIG

Conditional Grants: excluding MIG				
R' 000				
Details	Budget	Adjustments Budget	Actual	Major conditions applied by donor (continue below if necessary)
Provincial treasury internal streets	40 000 000	40 000 000	26 498 073	Construction of internal street
INEP electrification	30 000 000	39 400 000	39 400 000	Electrification programme
Finance Management grant	1 800 000	1 800 000	1 800 000	Financial management
Municipal systems improvement grant	930 000	930 000	930 000	
Expanded public works programme	1 031 000	1 031 000	1 031 000	
EPWP community	500 000	436 761		
DSRAC	250 000	484 761	484 761	
DEDEA		100 000	100 000	
Precinct plan	255 526	255 526	255 526	
DPLGTA		192 684	192 684	
Public Transport Infrastructure and Systems Grant				

COMMENT ON CONDITIONAL GRANTS EXCLUDING MIG:

The grants above were received as per the DORA, for the INEP during the top up amount of R9 400 000 was received from re gazettement by treasury. The gazette grants were fully spent, however the roll over for provincial treasury grant was approved.

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APPENDIX M: CAPITAL EXPENDITURE – NEW & UPGRADE/RENEWAL PROGRAMMES

APPENDIX M (i): CAPITAL EXPENDITURE - NEW ASSETS PROGRAMME

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EC444 Ntbankulu - Supporting Table SA34a Capital expenditure on new assets by asset class

CAP4: Infrastructure - Supporting Table CAP4: Capital expenditure on new assets by asset class										
Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Capital expenditure on new assets by Asset Class/Sub-class										
Infrastructure		25,018	28,213	48,757	27,298	30,436	30,436	109,436	60,952	57,267
Infrastructure - Road transport		25,018	28,213	26,757	27,298	30,436	30,436	79,436	25,952	27,267
Roads, Pavements & Bridges		25,018	28,213	26,757	27,298	30,436	30,436	79,436	25,952	27,267
Storm water										
Infrastructure - Electricity		-	-	20,000	-	-	-	30,000	35,000	30,000
Generation										
Transmission & Reticulation				20,000				30,000	35,000	30,000
Street Lighting										
Infrastructure - Water		-	-	-	-	-	-	-	-	-
Dams & Reservoirs										
Water purification										
Reticulation										
Infrastructure - Sanitation		-	-	-	-	-	-	-	-	-
Reticulation										
Sewerage purification										
Infrastructure - Other		-	-	-	-	-	-	-	-	-
Waste Management										
Transportation	2									
Gas	3									
Other										
Community		-	-	-	-	-	-	-	-	-
Parks & gardens										
Sportsfields & stadia										
Swimming pools										
Community halls										
Libraries										
Recreational facilities										
Fire, safety & emergency										
Security and policing	7									
Buses										
Clinics										
Museums & Art Galleries										
Cemeteries										
Social rental housing	8									
Other										
Heritage assets		-	-	-	-	-	-	1,000	-	-
Buildings										
Other	9							1,000		
Investment properties		-	-	-	-	-	-	-	-	-
Housing development										
Other										
Other assets		-	-	2,700	2,200	2,536	2,536	1,100	1,164	1,231
General vehicles				1,200	1,000	2,245	2,245	800	846	895
Specialised vehicles	10	-	-	-	-	-	-	-	-	-
Plant & equipment										
Computers - hardware/equipment				300	200	145	145	200	212	224
Furniture and other office equipment				300	300	29	29	100	106	112
Abattoirs										
Markets										
Civic Land and Buildings										
Other Buildings										
Other Land										
Surplus Assets - (Investment or Inventory)										
Other				900	700	117	117			
Agricultural assets		-	-	-	-	-	-	-	-	-
List sub-class										
Biological assets		-	-	-	-	-	-	-	-	-
List sub-class										
Intangibles		-	-	-	-	-	-	-	-	-
Computers - software & programming										
Other (list sub-class)										
Total Capital Expenditure on new assets	1	25,018	28,213	49,457	29,498	32,971	32,971	111,536	62,116	58,498

APPENDICES

APPENDIX O – CAPITAL PROGRAMME BY PROJECT BY WARD YEAR 1

Capital Programme by Project by Ward: Year 0		
Capital Project	Ward(s) affected	R' 000 Works completed (Yes/No)
Water		
"Project A"		
"Project B"		
Sanitation/Sewerage		
Electricity	Ward 11,17 & 3 for 350 connections	No: planned for financial year 2015/2016
Housing		
Refuse removal		
Stormwater		
Economic development		
Sports, Arts & Culture		
Environment		
Health		

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Safety and Security		
ICT and Other		
		TO

APPENDIX T – NATIONAL AND PROVINCIAL OUTCOMES FOR LOCAL GOVERNMENT

National and Provincial Outcomes for Local Government		
Outcome/Output	Progress to date	Number or Percentage Achieved
Output: Improving access to basic services	Water & Sanitation:	
	Housing:	
	Roads infrastructure: 13,1 kms of access roads constructed in the financial year 2014/2015	13kms
	Electricity: 3436 households electrified in the financial year 2014/2015	3436
Output: Implementation of the Community Work Programme		
Output: Deepen democracy through a refined Ward Committee model		

APPENDICES

Output: Administrative and financial capability		
<i>* Note: Some of the outputs detailed on this table may have been reported elsewhere in the Annual Report. Kindly ensure that this information consistent.</i>		
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VOLUME II

VOLUME II: ANNUAL FINANCIAL STATEMENTS

Provide the Annual Financial Statements (AFS) to the respective financial year as submitted to the Auditor-General. The completed AFS will be Volume II of the Annual Report.

the 1990s, the number of people in the UK who are employed in the public sector has increased by 1.5 million (1990–1999) (Department of Health 2000).

There is a growing emphasis on the need to improve the efficiency of the public sector, and to ensure that the public sector is able to deliver the best possible value for money. This has led to a number of initiatives, including the introduction of the Health Service Act 1999, which introduced a new framework for the NHS, and the introduction of the NHS Plan, which sets out the government's vision for the NHS in the future.

The NHS Plan also sets out the government's commitment to improve the quality of care, and to ensure that the NHS is able to meet the needs of the population. This has led to a number of initiatives, including the introduction of the NHS Clinical Governance Framework, which sets out the requirements for clinical governance, and the introduction of the NHS Patient Safety Framework, which sets out the requirements for patient safety.

The NHS Plan also sets out the government's commitment to improve the efficiency of the NHS, and to ensure that the NHS is able to deliver the best possible value for money. This has led to a number of initiatives, including the introduction of the NHS Financial Framework, which sets out the requirements for financial management, and the introduction of the NHS Performance Framework, which sets out the requirements for performance management.

The NHS Plan also sets out the government's commitment to improve the accessibility of the NHS, and to ensure that the NHS is able to meet the needs of the population. This has led to a number of initiatives, including the introduction of the NHS Access Framework, which sets out the requirements for access to services, and the introduction of the NHS Quality Framework, which sets out the requirements for quality of care.

The NHS Plan also sets out the government's commitment to improve the sustainability of the NHS, and to ensure that the NHS is able to meet the needs of the population in the future. This has led to a number of initiatives, including the introduction of the NHS Sustainability Framework, which sets out the requirements for sustainability, and the introduction of the NHS Innovation Framework, which sets out the requirements for innovation.

The NHS Plan also sets out the government's commitment to improve the transparency of the NHS, and to ensure that the NHS is able to meet the needs of the population. This has led to a number of initiatives, including the introduction of the NHS Transparency Framework, which sets out the requirements for transparency, and the introduction of the NHS Accountability Framework, which sets out the requirements for accountability.

The NHS Plan also sets out the government's commitment to improve the engagement of the public, and to ensure that the NHS is able to meet the needs of the population. This has led to a number of initiatives, including the introduction of the NHS Engagement Framework, which sets out the requirements for engagement, and the introduction of the NHS Partnership Framework, which sets out the requirements for partnership.

The NHS Plan also sets out the government's commitment to improve the leadership of the NHS, and to ensure that the NHS is able to meet the needs of the population. This has led to a number of initiatives, including the introduction of the NHS Leadership Framework, which sets out the requirements for leadership, and the introduction of the NHS Governance Framework, which sets out the requirements for governance.

The NHS Plan also sets out the government's commitment to improve the culture of the NHS, and to ensure that the NHS is able to meet the needs of the population. This has led to a number of initiatives, including the introduction of the NHS Culture Framework, which sets out the requirements for culture, and the introduction of the NHS Values Framework, which sets out the requirements for values.

The NHS Plan also sets out the government's commitment to improve the training of the NHS, and to ensure that the NHS is able to meet the needs of the population. This has led to a number of initiatives, including the introduction of the NHS Training Framework, which sets out the requirements for training, and the introduction of the NHS Development Framework, which sets out the requirements for development.

The NHS Plan also sets out the government's commitment to improve the research of the NHS, and to ensure that the NHS is able to meet the needs of the population. This has led to a number of initiatives, including the introduction of the NHS Research Framework, which sets out the requirements for research, and the introduction of the NHS Innovation Framework, which sets out the requirements for innovation.

The NHS Plan also sets out the government's commitment to improve the evaluation of the NHS, and to ensure that the NHS is able to meet the needs of the population. This has led to a number of initiatives, including the introduction of the NHS Evaluation Framework, which sets out the requirements for evaluation, and the introduction of the NHS Monitoring Framework, which sets out the requirements for monitoring.



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Enquiries: S. Matiwane

Cell: 082 8200 918

Date: 31 August 2016

COUNCIL RESOLUTION EXTRACT: SCM.04.29/08/16

Extract 29 August 2016

Time: 12H30

Venue: Municipal Town Hall

Draft Annual Report

In the special council meeting held on the 29 August 2016, the mayor tabled before the council a draft annual report for noting. He reported the overall performance of the institution was at 78%. He also indicated that the council should note the slight improvement on performance of the institution, compared to the previous years.

Thereafter, the Council **RESOLVED**

1. That the Draft Annual Report 2015/2016 be noted by the Council.
2. That the Draft Annual Report 2015/2016 be referred to MPAC for further consideration.

SCM.04.29/08/16

Signed

V. Matwas

31/08/2016

Date



the 1990s, the number of people in the UK with a mental health problem has increased by 50% (Mental Health Act 1983).

There is a growing awareness of the need to improve the lives of people with mental health problems. The Department of Health (1999) has set out a vision of a new mental health system, which will be based on the following principles: (1) people with mental health problems should be treated as individuals, with their own needs and wishes; (2) people should be given the opportunity to participate in decisions about their care; (3) people should be given the opportunity to live in their own homes and communities; (4) people should be given the opportunity to work and study; (5) people should be given the opportunity to take part in the decisions about their care.

The Department of Health (1999) has also set out a vision of a new mental health system, which will be based on the following principles: (1) people with mental health problems should be treated as individuals, with their own needs and wishes; (2) people should be given the opportunity to participate in decisions about their care; (3) people should be given the opportunity to live in their own homes and communities; (4) people should be given the opportunity to work and study; (5) people should be given the opportunity to take part in the decisions about their care.

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**Ntabankulu Local Municipality
(Registration number EC 444)
Annual Financial
statements for the
year ended 30
June 2016**

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General Information

Legal Form of entity	Municipality
Nature of business and principal activities	Ntabankulu Local Municipality is a South African Category B municipality (Local Municipality) as defined by the Municipal Structures Act (Act no 117 of 1998). The municipality's operations are governed by the Municipal Finance Management Act (Act 56 of 2003), the Municipal Structures Act (Act 177 of 1998), Municipal Systems Act (Act 32 of 2000) and various legislations and regulations.

Accounting Officer Chief Financial Officer	Ms S Mankahla Ms Jakob- Wutu (suspended on 31 October 2014) Ms N. Gixane (Acting CFO from 03 November 2014 to 1 April 2016) Ms N. Mdutyana (Acting CFO from 01 April 2016)
Registered office	Erf 85 Main Street Ntabankulu 5130
Postal address	P.O. Box 234 Ntabankulu 5130
Bankers	First National Bank Mthatha
Auditors	Auditor-General of South Africa



Council information

Honourable Mayor	Mayor Cllr V Mgoduka
Speaker	Cllr N Ndabeni
Exco	Mayor Cllr V Mgoduka (chairperson) Cllr S Sopaqa (chief whip) Cllr L Ndamase (community) Cllr M Tyhalibongo (corporate services) Cllr L Ntantini (IPD) Cllr M Magatyana (EXCO) Cllr N Mpompoza (strategic)
MPAC	Cllr B Ndamase (chairperson) Cllr S Cembali Cllr N Ncekana Cllr N Pikwa Cllr N Mbonomtsha Cllr L Talatala
Other council members	Cllr K Nonkondlo (resigned) Cllr M Magatyana Cllr N Mazaza (deceased) Cllr M Mkhize Cllr K Nomanzoyiya Cllr B Ntutuka Cllr V Macebo Cllr L Sigingotho Cllr V Mathwasa Cllr N Zweni Cllr S Sicwayi Cllr T Msuthu Cllr M Mamfengu Cllr R Poswa Cllr M Mtakasi Cllr M Gweqani Cllr M Siguqa Cllr M Madikizela Cllr S Nompula Cllr Z Lwana Cllr S Magagasa Cllr N Ndoyisile

Abbreviations

Term	Definition
COID	Compensation for Occupational Injuries and Diseases
CRR	Capital Replacement Reserve
DBSA	Development Bank of South Africa
DSRAC	Department of Sport, Recreation, Arts and Culture
DEDEAT	Department of Economic Development, Environmental Affairs & Tourism
EPWP	Expanded Public Works Programme
GRAP	Generally, Recognised Accounting Practice
IAS	International Accounting Standards
IMFO	Institute of Municipal Finance Officers
ECDC	Eastern Cape Development Corporation
ME's	Municipal Entities
MEC	Member of the Executive Council
MFMA	Municipal Finance Management Act
MIG	Municipal Infrastructure Grant (Previously CMIP)
GRAP	Standards of Generally Recognised Accounting Practice

Accounting Officer's Responsibilities and Approval

The accounting officer is required by the Municipal Finance Management Act (Act 56 of 2003), to maintain adequate accounting records and is responsible for the content and integrity of the financial statements and related financial information included in this report.

It is the responsibility of the accounting officer to ensure that the financial statements fairly present the state of affairs of the municipality as at the end of the financial year and the results of its operations and cash flows for the period then ended. The external auditors are engaged to express an independent opinion on the financial statements and were given unrestricted access to all financial records and related data.

The financial statements have been prepared in accordance with Standards of Generally Recognised Accounting Practice (GRAP) including any interpretations, guidelines and directives issued by the Accounting Standards Board.

The financial statements are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The accounting officer acknowledges that she is ultimately responsible for the system of internal financial control established by the municipality and place considerable importance on maintaining a strong control environment. To enable the accounting officer to meet these responsibilities, the accounting officer sets standards for internal control aimed at reducing the risk of error or the deficit in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk.

These controls are monitored throughout the municipality and all employees are required to maintain the highest ethical standards in ensuring the municipality's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the municipality is on identifying, assessing, managing and monitoring all known forms of risk across the municipality. While operating risk cannot be fully eliminated, the municipality endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The accounting officer is of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or deficit.

The accounting officer has reviewed the municipality's cash flow forecast for the year to 30 June 2016 and, in the light of this review and the current financial position, she is satisfied that the municipality has or has access to adequate resources to continue in operational existence for the foreseeable future.

Although the accounting officer is primarily responsible for the financial affairs of the municipality, she is supported by the municipality's external auditors.

The external auditors are responsible for independently reviewing and reporting on the municipality's financial statements. The financial statements have been examined by the municipality's external auditors and their report is presented on page XXXX

The financial statements set out on pages 9 to 67 which have been prepared on the going concern basis, were approved by the Council on 31 August 2016 and were signed on its behalf by:

Ms S Mankahla
Accounting Officer
Ntabankulu Local Municipality



Audit Committee Report

We are pleased to present our report for the financial year ended 30 June 2016.

Audit committee members and attendance

The audit committee consists of the members listed hereunder and should meet 4 times per annum as per its approved terms of reference. During the current year, 8 (eight) meetings were held.

Name of member	Number of meetings attended	End of term
Mr M Mandla (Chairperson)	8	28 Feb 2019
Mr S Mbutuma	5	Expired 28 Feb 2016
Mr G Labane (Appointed 05 December 2015)	4	30 Nov 2018
Ms B Jojo (Appointed 01 June 2016)	1	30 May 2019

Audit committee responsibility

The audit committee reports that it has complied with its responsibilities arising from section 166(2)(a) of the MFMA.

The audit committee also reports that it has adopted appropriate formal terms of reference as its audit committee charter, has regulated its affairs in compliance with this charter and has discharged all its responsibilities as contained therein.

The effectiveness of internal control

The system of internal controls applied by the municipality over financial and risk management is effective, efficient and transparent. In line with the MFMA and the King III report on Corporate Governance requirements, Internal Audit provides the audit committee and management with assurance that the internal controls are appropriate and effective. This is achieved by means of the risk management process, as well as the identification of corrective actions and suggested enhancements to the controls and processes. Accordingly, we can report that the system of internal control over financial reporting for the period under review was efficient and effective.

Evaluation of financial statements

The audit committee has:

- reviewed and discussed the audited financial statements to be included in the annual report, with the Auditor General and the Accounting Officer;
- reviewed the Auditor-General of South Africa's management report and management's response thereto;
- reviewed the entity's compliance with legal and regulatory provisions and
- reviewed significant adjustments resulting from the audit.

The audit committee concurs with and accept the Auditor-General of South Africa's report the financial statements, and is of the opinion that the audited financial statements should be accepted and read together with the report of the Auditor-General of South Africa.

Internal audit

The audit committee is satisfied that the internal audit function is operating effectively and that it has addressed the risks pertinent to the municipality and its audits. The audit committee has met with the Auditor-General of South Africa to ensure there are no unresolved issues.

Auditor-General of South Africa

The audit committee has met with the Auditor-General of South Africa to ensure that there are no unresolved issues.

Chairperson of the Audit Committee

Date:

Accounting Officer's Report

The accounting officer submits her report for the year ended 30 June 2016

1. Review of activities

Main business and operations

The municipality operates on a budget that has been presented to the National and Provincial Treasury, continuing its mandate to provide municipal services to the residents of Ntabankulu.

In prior year, the municipality successfully sourced a loan of R40.1 million from the Development Bank of South Africa for the electrification of its villages. The R40.1 million was approved by DBSA and the municipality only drew R37.1 million. The loan has been paid in full after the current reporting date. We anticipate that we will obtain further funding in the future from this and other sources, for other service delivery programs, including the tarring of the town streets and to further reduce the number of un-electrified households.

The operating results and state of affairs of the municipality are fully set out in the attached financial statements and do not in our opinion require any further comment.

Net surplus of the municipality was R 7 294 771 (2014: surplus R 43 152 320).

2. Going Concern

The financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

3. Subsequent Event

The accounting officer is not aware of any matter or circumstance arising since the end of the financial year that may have material significance on these financial statements.

Basis of Preparation

The financial statements have been prepared in accordance with the South African Generally Recognised Accounting Practices (GRAP) issued by the Accounting Standards Board as the prescribed framework by National Treasury.

Financial Statements for the year ended 30 June 2016

Statement of Financial Position

Figure in Rand	Note(s)	2016	2015 Restated*
Assets			
Current Assets			
Inventories	3	2 766 504	2 872 860
Receivable from exchange transactions	4	422 489	802 147
Vat receivables	6	10 538 158	7 010 606
Receivable from non- exchange transactions	5	620 465	1 056 015
Cash and cash equivalents	7	8 843 588	1 889 640
		23 191 205	13 631 268
Non-Currents Assets			
Investment property	8	23 114 591	25 055 031
Property, plant and equipment	9	305 199 191	239 463 560
		328 313 782	264 518 592
Total Assets		351 504 988	278 149 860
Liabilities			
Current Liabilities			
DBSA Loan	11	18 765 988	30 010 559
Finance Lease obligation	12	420 274	148 510
Payables from exchange transactions	13	16 141 065	7 176 022
Unspent conditional grants and receipts	15	2 436 056	1 119 189
Accrued Expenses	14	4 741 694	4 045 506
Long service award	16	191 520	423 399
		42 696 597	42 923 185
Non-Current Liabilities			
Finance lease obligation	11	207 3871	148 342
Provisions	15	10 004 388	10 004 568
Long service awards	16	1 450 334	876 736
		11 662 593	11 029 646
Total Liabilities		54 359 188	53 952 831
Net Assets		297 145 799	224 197 028
Accumulated Surplus		297 145 799	224 197 028

Statement of Financial Performance

Figure in Rand	Note(s)	2016	2015 Restated*
Revenue			
Service charges	17	302 885	232 708
Rental of facilities and equipment	18	927 639	947 830
Licences and permits		1 395 094	866 897
Services rendered		39 603	34 248
Sundry income		974 907	503 615
Interest received	19	2 390 440	2 229 577
Property rates	20	4 707 812	2 721 629
Government grants and subsidies	21	196 035 932	141 758 516
Fines		1 013 900	324 249
Total revenue		207 788 212	149 619 269
Expenditure			
Personnel related costs	22	(44 688 307)	(38 359 720)
Remuneration of councillors	23	(9 441 031)	(9 194 266)
Auditors fees	24	(3 427 281)	(3504271)
Audit Committee fees		(145 507)	(215 249)
Depreciation and impairment of intangible assets	25	(19 199 474)	(13 317 675)
Transfer of RDP Homes		(348 100)	(2 361 680)
Impairment loss – Inventory		(32 320)	(1 700 625)
Finance costs	26	(2 104785)	(997 887)
Impairment loss – receivables	27	(3 872 266)	(436 343)
Repairs and maintenance		(1 740 997)	(1 369 025)
Loss on disposal of assets		-	(34 775)
General expenses	28	(48 451 154)	(41 776 917)
Total expenditure		(132 899 001)	(113 268 494)
Operating surplus		74 899 211	36 350 775
Fair value adjustment: Investment Property	29	(1 940 440)	6 801 546
Operating surplus		72 948 771	43 152 320

Statement of Changes in Net Assets

Figure in Rand	Accumulated surplus	Total net assets
Balance at 01 July 2014 as restated*	184 584 201	184 584 201
Prior year adjustment	(3 539 493)	(3 539 493)
Restated Balance at 01 July 2014	181 044 708	181 044 708
Surplus for the year	37 196 538	37 196 538
Prior year Adjustment	5 955 782	5 955 782
Restated balance at 01 July 2015	224 197 028	224 197 028
Surplus for the year	72 948 771	72 948 771
Balance at 30 June 2016	297 145 799	297 145 799

Cash Flow Statement

Figure in Rand	Note(s)	2016	2015 Restated*
Cashflow from operating activities			
Receipts			
Taxes		9 748 537	6 241 694
Cash receipt from receivables		9 045 795	7 806 267
Grants		197 487 172	141 758 516
Interest income		1 941 969	1 708 731
		218 223 472	157 515 209
Payments			
Employee costs		(56 532 942)	(48 545 136)
Suppliers		(53 957 428)	(54 316 824)
Finance costs		(1 084 618)	(320 888)
		(111 538 988)	(103 182 848)
Net cash flows from operating activities	30	106 684 484	103 182 848
Cash flows from investing activities			
Purchase of property, plant and equipment		(88 211 768)	(91 893 167)
Proceeds from sale of property, plant and equipment		-	294 710
Net cash flows from investing activities		(88 211 768)	(91 598 457)
Cash flows from financing activities			
Proceeds on DBSA loan		7 089 441	30 010 559
Redemption of loans		(18 334 012)	-
Finance lease payments		(278 774)	(169 200)
Net cash flows from financing activities		(11 523 345)	29 841 359
Net increase/(decrease) in cash and cash equivalents		6 949 371	(7 424 737)
Cash and cash equivalents at the beginning of the year		1 894 217	9 318 954
Cash and cash equivalents at the end of the year	7	8 843 588	1 894 217



Statement of Comparison of Budget and Actual amounts

Budget on Cash Basis Figure in Rand	Approved budget	Adjustments	Final Budget	Actual amounts comparable basis	Difference between final budget and actual
Statement of Financial Performance					
Revenue					
Revenue from exchange transactions					
Service charges	279 947	-	279 947	302 885	22 938
Rental of facilities and equipment	1 099 409	-	1 099 409	927 639	(171 770)
Licences and permits	-	-	-	25 189	25 189
Services rendered	160 816	141 300	302 116	39 603	(262 513)
Property rates				4 707 812	
Fines				1 539 855	
Grants				196 035 932	
Sundry income	5 934 088	4 085 961	10 020 049	974 907	(7 045 142)
Interest received	2 293 857	(253 857)	2 040 000	2 390 440	350 440
Total revenue from exchange transactions	9 768 117	3 973 404	13 741 521	6 660 663	(7 080 858)
Revenue from non-exchange transactions					
Taxation revenue					
Property rates	2 844 360	-	2 844 360	4 707 812	1 863 452
Transfer revenue					
Government grants & subsidies	206 597 000	1 629 011	208 226 011	196 035 932	(12 190 079)
Fines	1 700 746		1 700 746	1 539 855	(160 891)

Ntabankulu Local Municipality
Annual Financial Statements for the financial year ended 30 June 2016

Total revenue from non-exchange transactions	211 142 106	1 629 011	212 771 117	202 283 599	(10 487 518)
Total revenue	220 910 223	5 602 415	226 612 638	208 944 262	(17 668 376)
Expenditure					
Personnel related costs	(45 887 861)	1 319 750	(44 568 111)	(44 688 307)	432 024
Remuneration of councillors	(11 291 884)		(11 291 884)	(11 387 581)	1 850 853
Depreciation and amortisation	(2 824 000)	-	(2 824 000)	(19 199 474)	(16 375 474)
Finance costs	(50 000)		(50 000)	(2 104 785)	(2 077 200)
Repairs and maintenance	(3 600 000)	80 000	(3 520 000)	(1 740 997)	1 198 400
Impairment of RDP Houses	-	-	-	(32 320)	(32 320)
Transfer of RDP Houses				(348 100)	(348 100)
Impairment loss- Receivables				(2 104 785)	
Audit Committee fees				(145 507)	
Accounting and Audit fees	(3 777 281)	350 000	(3 427 281)	(3 427 281)	(828 875)
General Expenses	(39 860 110)	(5 082 725)	(44 942 835)	(44 638 944)	(2 171 186)
Total expenditure	(107 291 136)	(3 861 975)	(111 163 111)	(130 203 367)	(16 912 091)
Fair value adjustment				(1 940 440)	
Surplus before taxation	113 619 087	1 740 440	115 359 527	74 800 445	(34 480 467)
Actual Amount on Comparable basis as Presented in the Budget and Actual Comparative Statement	113 619 087	1 740 440	115 343 657	74 800 445	(34 480 467)

Appropriation Statement

	Original Budget	Budget adjustments (i.t.o s28 and s1 of the MFMA)	Final adjustments budget	Shifting of funds (i.t.o s31 of the MFMA)	Vehement (i.t.o council approved policy)	Final budget	Actual outcome	Unauthorised Expenditure	Variance	Actual outcome % of final budget	Actual outcome % of original budget
2018											
Financial Performance											
Property rates	2 844 359	-	2 844 359	-	382 197	3 226 556	4 707 812	-	1 481 258	146%	166%
Service charges	279 947	-	279 947	-	-	279 947	302 885	-	22 938	108%	108%
Interest received	2 293 857	(253 857)	2 040 000	-	(15 000)	2 025 000	2 390 440	-	350 440	117%	117%
Transfers recognised-operational	103 352 000	1 389 570	104 741 570	-	(478 990)	104 262 571	103 742 858	-	(519 713)	100%	100%
Other own revenue	8 695 059	4 227 262	13 122 321	-	(2 745 621)	10 376 700	11 436 534	-	1 059 834	102%	104%
Total revenue (excluding capital transfers and contributions)	117 665 222	5 362 975	123 028 197	-	2 857 414	120 170 774	122 580 529	-	2 409 755	102%	104%
Employee related costs	(45 687 661)	319 750	(45 568 111)	-	1 215 935	(44 352 176)	(44 668 307)		(336 131)	101%	97%
Remuneration of councillors	(11 291 884)	-	(11 291 884)	-	1 850 853	(9 441 031)	(11 387 581)		1 946 550	121%	101%
Contribution to the impairment of receivables	-	(529 000)	(529 000)	-	-	(529 000)	(2 490 062)		(1 961 062)	471%	#DIV0
Depreciation and assets impairments	(2 824 000)	-	(2 824 000)	-	-	(2 824 000)	(19 199 474)		(16 375 474)	680%	680%
Finance charges	(50 000)	-	(50 000)	-	(2 077 200)	(2 127 200)	(2 104 785)		22 415	99%	4210%
Other expenditure	(49 320 327)	(3 963 725)	(53 284 052)	-	(7 078 711)	(60 362 763)	(50 362 763)		10 029 615	83%	102%
Total expenditure	(109 374 072)	(4 172 975)	(113 547 047)	-	(6 089 123)	(119 636 170)	(130 203 357)		(10 567 187)	108%	118%
Surplus/(Deficit)	8 291 150	1 190 000	9 481 150	-	(8 946 837)	534 607	(7 622 828)		(8 157 432)	0%	-92%
Transfers recognised-capital	103 245 000	239 441	103 484 441	-	(5 210 777)	98 273 664	92 293 074		(5 980 590)	94%	89%
Surplus/(Deficit) after capital transfers and contribute	111 536 150	1 429 441	112 965 591	-	(14 157 314)	98 808 268	84 670 246		(14 138 022)	86%	76%

Ntabankulu Local Municipality
Annual Financial Statements for the financial year ended 30 June 2016

Surplus/(Deficit) for the year	111 536 150	1 428 441	112 965 581	-	(14 157 314)	98 808 268	84 670 248	-	(14 138 022)	86%	76%
Capital expenditure and funds sources	-										
Total capital expenditure	(111 536 150)	(4 259 452)	(115 795 602)	-	(14 157 314)	98 808 268	84 670 248	-	(14 138 022)	86%	76%

Accounting Policies

1. Presentation of Financial Statements

The financial statements have been prepared in accordance with the Standards of Generally Recognised Accounting Practice (GRAP), issued by the Accounting Standards Board in accordance with Section 122(3) of the Municipal Finance Management Act (Act 56 of 2003).

These financial statements have been prepared on an accrual basis of accounting and are in accordance with historical cost convention as the basis of measurement, unless specified otherwise. They are presented in South African Rand.

A summary of the significant accounting policies, which have been consistently applied in the preparation of these financial statements, are disclosed below.

These accounting policies are consistent with the previous period.

1.1 Going concern assumption

These financial statements have been prepared based on the expectation that the municipality will continue to operate as a going concern for at least the next 12 months.

1.2 Significant judgements and sources of estimation uncertainty

In preparing the financial statements, management is required to make estimates and assumptions that affect the amounts represented in the financial statements and related disclosures. Use of available information and the application of judgement is inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the financial statements.

Significant judgements include:

Trade receivables and/or loans and receivables

The municipality assesses its trade receivables and loans and receivables for impairment at the end of each reporting period.

In determining whether an impairment loss should be recorded in surplus or deficit, the management makes judgements as to whether there is observable data indicating a measurable decrease in the estimated future cash flows from a financial asset.

The impairment for trade receivables and loans and receivables is calculated on a portfolio basis, based on historical loss ratios, adjusted for national and industry-specific economic conditions and other indicators present at the reporting date that correlate with defaults on the portfolio. These annual loss ratios are applied to loan balances in the portfolio and scaled to the estimated loss emergence period.

Impairment testing

The recoverable amounts of cash-generating units and individual assets have been determined based on the higher of value in-use calculations and fair values less costs to sell. These calculations require the use of estimates and assumptions.

The municipality reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable.

Provisions

Provisions were raised and management determined an estimate based on the information available

In calculating the impairment loss for receivables the following were considered:

- The payments received from receivables for the year
- The age of the debt
- Current and 30 days were considered
- Current and 30 days were considered not to have past due date
- Receivables 60 days old were considered past due date but were not impaired.

The municipality assessed the balances that were 60 days old for recoverability and believes that they are of good credit quality. The creation and the release of the impairment loss for receivables have been included in the Statement of Financial Performance.

1.3 Investment property

Investment property is property (land or a building - or part of a building - or both) held to earn rentals or for capital appreciation or both, rather than for:

- use in the production or supply of goods or services or for administrative purposes, or
- administrative purposes, or
- sale in the ordinary course of operations.

Owner-occupied property is property held for use in the production or supply of goods or services or for administrative purposes.

Investment property is recognised as an asset when, it is probable that the future economic benefits or service potential that are associated with the investment property will flow to the municipality, and the cost or fair value of the investment property can be measured reliably.

Investment property is initially recognised at cost. Transaction costs are included in the initial measurement. Where investment property is acquired through a non-exchange transaction, its cost is its fair value as at the date of acquisition.

Costs include costs incurred initially and costs incurred subsequently to add to, or to replace a part of, or service a property. If a replacement part is recognised in the carrying

amount of the investment property, the carrying amount of the replaced part is derecognised.

Fair value

Subsequent to initial measurement investment property is measured at fair value. The fair value of investment property reflects market conditions at the reporting date.

A gain or loss arising from a change in fair value is included in net surplus or deficit for the period in which it arises.

If the entity determines that the fair value of an investment property under construction is not reliably determinable but expects the fair value of the property to be reliably measurable when construction is complete, it measures that investment property under construction at cost until either its fair value becomes reliably determinable or construction is completed (whichever is earlier). If the entity determines that the fair value of an investment property (other than an investment property under construction) is not reliably determinable on a continuing basis, the entity measures that investment property using the cost model (as per the accounting policy on Property, Plant and Equipment). The residual value of the investment property is then assumed to be zero. The entity applies the cost model (as per the accounting policy on Property, Plant and Equipment) until disposal of the investment property.

Once the entity becomes able to measure reliably the fair value of an investment property under construction that has previously been measured at cost, it measures that property at its fair value. Once construction of that property is complete, it is presumed that fair value can be measured reliably. If this is not the case, the property is accounted for using the cost model in accordance with the accounting policy on Property, plant and equipment.

1.4 Property, plant and equipment

Property, plant and equipment are tangible non-current assets (including infrastructure assets) that are held for use in the production or supply of goods or services, rental to others, or for administrative purposes, and are expected to be used during more than one period.

The cost of an item of property, plant and equipment is recognised as an asset when:

- it is probable that future economic benefits or service potential associated with the item will flow to the municipality; and
- the cost of the item can be measured reliably.

Property, plant and equipment is initially measured at cost. The cost of an item of property, plant and equipment is the purchase price and other costs attributable to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Trade discounts and rebates are deducted in arriving at the cost.

Where an asset is acquired through a non-exchange transaction, its cost is its fair value as at date of acquisition.

Where an item of property, plant and equipment is acquired in exchange for a non-monetary asset or monetary assets, or a combination of monetary and non-monetary assets, the asset acquired is initially measured at fair value (the cost). If the acquired item's fair value was not determinable, it's deemed cost is the carrying amount of the asset(s) given up.

When significant components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Costs include costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised.

The initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located is also included in the cost of property, plant and equipment, where the entity is obligated to incur such expenditure, and where the obligation arises as a result of acquiring the asset or using it for purposes other than the production of inventories.

Recognition of costs in the carrying amount of an item of property, plant and equipment ceases when the item is in the location and condition necessary for it to be capable of operating in the manner intended by management.

Major spare parts and stand by equipment which are expected to be used for more than one period are included in property, plant and equipment. In addition, spare parts and stand by equipment which can only be used in connection with an item of property, plant and equipment are accounted for as property, plant and equipment.

Major inspection costs which are a condition of continuing use of an item of property, plant and equipment and which meet the recognition criteria above are included as a replacement in the cost of the item of property, plant and equipment. Any remaining inspection costs from the previous inspection are derecognised.

Property, plant and equipment is carried at cost less accumulated depreciation and any impairment losses. Property, plant and equipment are depreciated on the straight line basis over their expected useful lives to their estimated residual value.

The useful lives of items of property, plant and equipment have been assessed as follows:

Item	Depreciation Method	Useful life
Land	Straight line	indefinite
Buildings	Straight line	30 years
Furniture and fixtures	Straight line	5 to 7 years
Motor vehicles	Straight line	4 to 7 years
Office equipment	Straight line	5 to 7 years
IT equipment	Straight line	3 to 5 years
Infrastructure	Straight line	20 to 30 years
Community	Straight line	10 to 30 years

Bins and containers

Straight line

10 to 15 years

The residual value, and the useful life and depreciation method of each asset are reviewed at the end of each reporting date. If the expectations differ from previous estimates, the change is accounted for as a change in accounting estimate.

Reviewing the useful life of an asset on an annual basis does not require the entity to amend the previous estimate unless expectations differ from the previous estimate.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

The depreciation charge for each period is recognised in surplus or deficit unless it is included in the carrying amount of another asset. Items of property, plant and equipment are derecognised when the asset is disposed of or when there are no further economic benefits or service potential expected from the use of the asset.

The gain or loss arising from the derecognition of an item of property, plant and equipment is included in surplus or deficit when the item is derecognised. The gain or loss arising from the derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

Assets which the municipality holds for rentals to others and subsequently routinely sell as part of the ordinary course of activities, are transferred to inventories when the rentals end and the assets are available-for-sale. Proceeds from sales of these assets are recognised as revenue. All cash flows on these assets are included in cash flows from operating activities in the cash flow statement.

1.5 Site restoration and dismantling cost

The municipality has an obligation to dismantle, remove and restore items of property, plant and equipment. Such obligations are referred to as 'decommissioning, restoration and similar liabilities'. The cost of an item of property, plant and equipment includes the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, the obligation for which a municipality incurs either when the item is acquired or as a consequence of having used the item during a particular period for purposes other than to produce inventories during that period.

If the related asset is measured using the cost model:

(a) subject to (b), changes in the liability are added to, or deducted from, the cost of the related asset in the current period;

(b) if a decrease in the liability exceeds the carrying amount of the asset, the excess is recognised immediately in surplus or deficit; and

(c) if the adjustment results in an addition to the cost of an asset, the municipality considers whether this is an indication that the new carrying amount of the asset may not be fully recoverable. If it is such an indication, the asset is tested for impairment by estimating its recoverable amount or recoverable service amount, and any impairment loss is recognised in accordance with the accounting policy on impairment of cash-generating assets and/or impairment of non-cash-generating assets.

1.6 Intangible assets

An asset is identifiable if it either:

- is separable, i.e. is capable of being separated or divided from an entity and sold, transferred, licensed, rented or
- exchanged, either individually or together with a related contract, identifiable assets or liability, regardless of whether the entity intends to do so; or
- arises from binding arrangements (including rights from contracts), regardless of whether those rights are transferable or separable from the municipality or from other rights and obligations.

A binding arrangement describes an arrangement that confers similar rights and obligations on the parties to it as if it were in the form of a contract.

An intangible asset is recognised when:

- it is probable that the expected future economic benefits or service potential that are attributable to the asset will flow to the municipality; and
- the cost or fair value of the asset can be measured reliably.

The municipality assesses the probability of expected future economic benefits or service potential using reasonable and supportable assumptions that represent management's best estimate of the set of economic conditions that will exist over the useful life of the asset.

Where an intangible asset is acquired through a non-exchange transaction, its initial cost at the date of acquisition is measured at its fair value as at that date.

Expenditure on research (or on the research phase of an internal project) is recognised as an expense when it is incurred.

An intangible asset arising from development (or from the development phase of an internal project) is recognised when:

- it is technically feasible to complete the asset so that it will be available for use or sale;
- there is an intention to complete and use or sell it;
- there is an ability to use or sell it;
- it will generate probable future economic benefits or service potential;
- there are available technical, financial and other resources to complete the development and to use or sell the asset; and
- the expenditure attributable to the asset during its development can be measured reliably.

An intangible asset is regarded as having an indefinite useful life when, based on all relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows or service potential. Amortisation is not provided for these intangible assets, but they are tested for impairment annually and whenever there is an indication that the asset may be impaired. For all other intangible assets amortisation is provided on a straight line basis over their useful life. The amortisation period and the amortisation method for intangible assets are reviewed at each reporting date.

Reassessing the useful life of an intangible asset with a finite useful life after it was classified as indefinite is an indicator that the asset may be impaired. As a result, the asset is tested for impairment and the remaining carrying amount is amortised over its useful life.

Internally generated brands, mastheads, publishing titles, customer lists and items similar in substance are not recognised as intangible assets.

Internally generated goodwill is not recognised as an intangible asset. Amortisation is provided to write down the intangible assets, on a straight line basis, to their residual values.

Intangible assets are derecognised:

- on disposal; or
- when no future economic benefits or service potential are expected from its use or disposal.

1.7 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or a residual interest of another entity.

The amortised cost of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured at initial recognition minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, and minus any reduction (directly or through the use of an allowance account) for impairment or uncollectability.

A concessionary loan is a loan granted to or received by an entity on terms that are not market related.

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

De-recognition is the removal of a previously recognised financial asset or financial liability from an entity's statement of financial position.

A derivative is a financial instrument or other contract with all three of the following characteristics:

- Its value changes in response to the change in a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, provided in the case of a non-financial variable that the variable is not specific to a party to the contract (sometimes called the 'underlying').
- It requires no initial net investment or an initial net investment that is smaller than would be required for other types of contracts that would be expected to have a similar response to changes in market factors.
- It is settled at a future date.

The effective interest method is a method of calculating the amortised cost of a financial asset or a financial liability (or group of financial assets or financial liabilities) and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability. When calculating the effective interest rate, an entity shall estimate cash flows considering all contractual terms of the financial instrument (for example, prepayment, call and similar options) but shall not consider future credit losses. The calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs, and all other premiums or discounts. There is a presumption that the cash flows and the expected life of a group of similar financial instruments can be estimated reliably. However, in those rare cases when it is not possible to reliably estimate the cash flows or the expected life of a financial instrument (or group of financial instruments), the entity shall use the contractual cash flows over the full contractual term of the financial instrument (or group of financial instruments).

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable willing parties in an arm's length transaction.

A financial asset is:

- cash;
- a residual interest in another entity; or
- a contractual right to:
 - receive cash or another financial asset from another entity; or
 - exchange financial assets or financial liabilities with another entity under conditions that are potentially favourable to the entity.

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

A financial liability is any liability that is a contractual obligation to:

- deliver cash or another financial asset to another entity; or
- exchange financial assets or financial liabilities under conditions that are potentially unfavourable to the entity.

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Liquidity risk is the risk encountered by an entity in the event of difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

Loan commitment is a firm commitment to provide credit under pre-specified terms and conditions.

Loans payable are financial liabilities, other than short-term payables on normal credit terms.



Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk.

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

A financial asset is past due when a counterparty has failed to make a payment when contractually due.

A residual interest is any contract that manifests an interest in the assets of an entity after deducting all of its liabilities. A residual interest includes contributions from owners, which may be shown as:

- equity instruments or similar forms of unitised capital;
- a formal designation of a transfer of resources (or a class of such transfers) by the parties to the transaction as forming part of an entity's net assets, either before the contribution occurs or at the time of the contribution; or
- a formal agreement, in relation to the contribution, establishing or increasing an existing financial interest in the net assets of an entity.

Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of a financial asset or financial liability. An incremental cost is one that would not have been incurred if the entity had not acquired, issued or disposed of the financial instrument.

Financial instruments at amortised cost are non-derivative financial assets or non-derivative financial liabilities that have fixed or determinable payments, excluding those instruments that:

- the entity designates at fair value at initial recognition; or
- are held for trading.

Financial instruments at cost are investments in residual interests that do not have a quoted market price in an active market, and whose fair value cannot be reliably measured.

Financial instruments at fair value comprise financial assets or financial liabilities that are:

- derivatives;
- combined instruments that are designated at fair value;
- instruments held for trading. A financial instrument is held for trading if:
 - it is acquired or incurred principally for the purpose of selling or repurchasing it in the near-term; or
 - on initial recognition it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short term profit-taking;
 - non-derivative financial assets or financial liabilities with fixed or determinable payments that are designated at fair value at initial recognition; and

- o financial instruments that do not meet the definition of financial instruments at amortised cost or financial instruments at cost.

1.8 Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

When a lease includes both land and buildings elements, the entity assesses the classification of each element separately.

Finance leases - lessee

Finance leases are recognised as assets and liabilities in the statement of financial position at amounts equal to the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation.

The discount rate used in calculating the present value of the minimum lease payments is the interest rate implicit in the lease.

Minimum lease payments are apportioned between the finance charge and reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of on the remaining balance of the liability.

Any contingent rents are expensed in the period in which they are incurred.

Operating leases - lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. The difference between the amounts recognised as an expense and the contractual payments are recognised as an operating lease asset or liability.

1.9 Inventories

Inventories are initially measured at cost except where inventories are acquired through a non-exchange transaction, then their costs are their fair value as at the date of acquisition.

Subsequently inventories are measured at the lower of cost and net realisable value.

Inventories are measured at the lower of cost and current replacement cost where they are held for;

distribution at no charge or for a nominal charge; or

consumption in the production process of goods to be distributed at no charge or for a nominal charge.

Net realisable value is the estimated selling price in the ordinary course of operations less the estimated costs of completion and the estimated costs necessary to make the sale, exchange or distribution.

Current replacement cost is the cost the municipality incurs to acquire the asset at the reporting date.

The cost of inventories comprises of all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

The cost of inventories of items that are not ordinarily interchangeable and goods or services produced and segregated for specific projects is assigned using specific identification of the individual costs.

The cost of inventories is assigned using the weighted average cost formula. The same cost formula is used for all inventories having a similar nature and use to the municipality.

When inventories are sold, the carrying amounts of those inventories are recognised as an expense in the period in which the related revenue is recognised. If there is no related revenue, the expenses are recognised when the goods are distributed, or related services are rendered. The amount of any write-down of inventories to net realisable value or current replacement cost and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value or current replacement cost, are recognised as a reduction in the number of inventories recognised as an expense in the period in which the reversal occurs.

1.10 Employee benefits

Employee benefits are all forms of consideration given by an entity in exchange for service rendered by employees.

Other long-term employee benefits are employee benefits (other than post-employment benefits and termination benefits) that are not due to be settled within twelve months after the end of the period in which the employees render the related service.

A constructive obligation is an obligation that derives from an entity's actions where by an established pattern of past practice, published policies or a sufficiently specific current statement, the entity has indicated to other parties that it will accept certain responsibilities and as a result, the entity has created a valid expectation on the part of those other parties that it will discharge those responsibilities.

Short-term employee benefits

Short-term employee benefits are employee benefits (other than termination benefits) that are due to be settled within twelve months after the end of the period in which the employees render the related service.

Short-term employee benefits include items such as:

wages, salaries and social security contributions;

short-term compensated absences (such as paid annual leave and paid sick leave) where the compensation for the absences is due to be settled within twelve months after the end of the reporting period in which the employees render the related employee service;

bonus, incentive and performance related payments payable within twelve months after the end of the reporting period in which the employees render the related service; and



non-monetary benefits (for example, medical care, and free or subsidised goods or services such as housing, cars and cell phones) for current employees.

When an employee has rendered service to the entity during a reporting period, the entity recognise the undiscounted amount of short-term employee benefits expected to be paid in exchange for that service:

as a liability (accrued expense), after deducting any amount already paid. If the amount already paid exceeds the undiscounted amount of the benefits, the entity recognise that excess as an asset (prepaid expense) to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund; and

as an expense, unless another Standard requires or permits the inclusion of the benefits in the cost of an asset.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs. The entity measures the expected cost of accumulating compensated absences as the additional amount that the entity expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The entity recognise the expected cost of bonus, incentive and performance related payments when the entity has a present legal or constructive obligation to make such payments as a result of past events and a reliable estimate of the obligation can be made. A present obligation exists when the entity has no realistic alternative but to make the payments.

Post-employment benefits: Defined contribution plans

Defined contribution plans are post-employment benefit plans under which an entity pays fixed contributions into a separate entity (a fund) and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods.

When an employee has rendered service to the entity during a reporting period, the entity recognise the contribution payable to a defined contribution plan in exchange for that service:

- as a liability (accrued expense), after deducting any contribution already paid. If the contribution already paid exceeds the contribution due for service before the reporting date, an entity recognise that excess as an asset
- (prepaid expense) to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund; and
- as an expense, unless another Standard requires or permits the inclusion of the contribution in the cost of an asset.

Where contributions to a defined contribution plan do not fall due wholly within twelve months after the end of the reporting period in which the employees render the related service, they are discounted. The rate used to discount reflects the time value of money. The currency and term of the financial instrument selected to reflect the time value of money is consistent with the currency and estimated term of the obligation.

1.11 Provisions and contingencies

Provisions are recognised when:

- the municipality has a present obligation as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; and
- a reliable estimate can be made of the obligation.

The amount of a provision is the best estimate of the expenditure expected to be required to settle the present obligation at the reporting date.

Where the effect of time value of money is material, the amount of a provision is the present value of the expenditures expected to be required to settle the obligation.

The discount rate is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement is recognised when, and only when, it is virtually certain that reimbursement will be received if the municipality settles the obligation. The reimbursement is treated as a separate asset. The amount recognised for the reimbursement does not exceed the amount of the provision.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. Provisions are reversed if it is no longer probable that an outflow of resources embodying economic benefits or service potential will be required, to settle the obligation.

Where discounting is used, the carrying amount of a provision increases in each period to reflect the passage of time. This increase is recognised as an interest expense.

A provision is used only for expenditures for which the provision was originally recognised.

Provisions are not recognised for future operating deficits.

If an entity has a contract that is onerous, the present obligation (net of recoveries) under the contract is recognised and measured as a provision.

A constructive obligation to restructure arises only when an entity:

- has a detailed formal plan for the restructuring, identifying at least:
 - the activity/operating unit or part of an activity/operating unit concerned;
 - the principal locations affected;
 - the location, function, and approximate number of employees who will be compensated for services being terminated;
 - the expenditures that will be undertaken; and
 - when the plan will be implemented; and
- has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement that plan or announcing its main features to those affected by it.

A restructuring provision includes only the direct expenditures arising from the restructuring, which are those that are both:

- necessarily entailed by the restructuring; and
- not associated with the on-going activities of the municipality

No obligation arises as a consequence of the sale or transfer of an operation until the municipality is committed to the sale or transfer, that is, there is a binding arrangement.

After their initial recognition contingent liabilities recognised in entity combinations that are recognised separately are subsequently measured at the higher of:

- the amount that would be recognised as a provision; and
- the amount initially recognised less cumulative amortisation.

Contingent assets and contingent liabilities are not recognised.

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

Loan commitment is a firm commitment to provide credit under pre-specified terms and conditions.

The municipality recognises a provision for financial guarantees and loan commitments when it is probable that an outflow of resources embodying economic benefits and service potential will be required to settle the obligation and a reliable estimate of the obligation can be made.

Determining whether an outflow of resources is probable in relation to financial guarantees requires judgement. Indications that an outflow of resources may be probable are:

- financial difficulty of the debtor;
- defaults or delinquencies in interest and capital repayments by the debtor;
- breaches of the terms of the debt instrument that result in it being payable earlier than the agreed term and the ability of the debtor to settle its obligation on the amended terms; and
- a decline in prevailing economic circumstances (e.g. high interest rates, inflation and unemployment) that impact on the ability of entities to repay their obligations.

Where a fee is received by the municipality for issuing a financial guarantee and/or where a fee is charged on loan commitments, it is considered in determining the best estimate of the amount required to settle the obligation at reporting date.

Where a fee is charged and the municipality considers that an outflow of economic resources is probable, a municipality recognises the obligation at the higher of:

- the amount determined using in the Standard of GRAP on Provisions, Contingent Liabilities and Contingent Assets;
- the amount of the fee initially recognised less, where appropriate, cumulative amortisation recognised in accordance with the Standard of GRAP on Revenue from Exchange Transactions.

1.12 Commitments

Items are classified as commitments when an entity has committed itself to future transactions that will normally result in the outflow of cash.

Disclosures are required in respect of unrecognised contractual commitments.

Commitments for which disclosure is necessary to achieve a fair presentation should be disclosed in a note to the financial statements, if both the following criteria are met:

- Contracts should be non-cancellable or only cancellable at significant cost (for example, contracts for computer or building maintenance services); and
- Contracts should relate to something other than the routine, steady, state business of the entity – therefore salary commitments relating to employment contracts or social security benefit commitments are excluded.

1.13 Revenue from exchange transactions

Revenue is the gross inflow of economic benefits or service potential during the reporting period when those inflows result in an increase in net assets, other than increases relating to contributions from owners.

An exchange transaction is one in which the municipality receives assets or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of goods, services or use of assets) to the other party in exchange.

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

1.14 Revenue from non-exchange transactions

Non-exchange transactions are defined as transactions where the entity receives value from another entity without directly giving approximately equal value in exchange.

Revenue is the gross inflow of economic benefits or service potential during the reporting period when those inflows result in an increase in net assets, other than increases relating to contributions from owners.

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

Measurement

Revenue is measured at the fair value of the consideration received or receivable, net of trade discounts and volume rebates.

Fines

Revenue from the issuing of fines is recognised when:

- it is probable that the economic benefits or service potential associated with the transaction will flow to the municipality; and
- the amount of the revenue can be measured reliably.

The municipality has two types of fines: spot fines and summonses. There is uncertainty regarding the probability of the flow of economic benefits or service potential in respect of spot fines as these fines are usually not given directly to an offender.

Further legal processes have to be undertaken before the spot fine is enforceable. In respect of summonses the public prosecutor can decide whether to waive the fine, reduce it or prosecute for non-payment by the offender. An estimate is made for the revenue amount collected from spot fines and summonses based on past experience of amounts collected. Where a reliable estimate cannot be made of revenue from summonses, the revenue from summonses is recognised when the public prosecutor pays over to the entity the cash actually collected on summonses issued.

Government grants

Government grants are recognised as revenue when:

- it is probable that the economic benefits or service potential associated with the transaction will flow to the municipality,
- the amount of the revenue can be measured reliably, and
- to the extent that there has been compliance with any restrictions associated with the grant.

The municipality assesses the degree of certainty attached to the flow of future economic benefits or service potential on the basis of the available evidence. Certain grants payable by one level of government to another are subject to the availability of funds. Revenue from these grants is only recognised when it is probable that the economic benefits or service potential associated with the transaction will flow to the entity. An announcement at the beginning of a financial year that grants may be available for qualifying entities in accordance with an agreed programme may not be sufficient evidence of the probability of the flow. Revenue is then only recognised once evidence of the probability of the flow becomes available.

Restrictions on government grants may result in such revenue being recognised on a time proportion basis. Where there is no restriction on the period, such revenue is recognised on receipt or when the Act becomes effective, whichever is earlier.

When government remit grants on a re-imbursement basis, revenue is recognised when the qualifying expense has been incurred and to the extent that any other restrictions have been complied with.

Unauthorised expenditure

Unauthorised expenditure means:

- overspending of a vote or a main division within a vote; and
- expenditure not in accordance with the purpose of a vote or, in the case of a main division, not in accordance with the purpose of the main division.

All expenditure relating to unauthorised expenditure is recognised as an expense in the statement of financial performance in the year that the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense, and where recovered, it is subsequently accounted for as revenue in the statement of financial performance.



1.15 Fruitless and wasteful expenditure

Fruitless expenditure means expenditure which was made in vain and would have been avoided had reasonable care been exercised.

All expenditure relating to fruitless and wasteful expenditure is recognised as an expense in the statement of financial performance in the year that the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense, and where recovered, it is subsequently accounted for as revenue in the statement of financial performance.

1.16 Irregular expenditure

Irregular expenditure as defined in section 1 of the PFMA is expenditure other than unauthorised expenditure, incurred in contravention of or that is not in accordance with a requirement of any applicable legislation, including -

- (a) this Act; or
- (b) the State Tender Board Act, 1968 (Act No. 86 of 1968), or any regulations made in terms of the Act; or
- (c) any provincial legislation providing for procurement procedures in that provincial government.

National Treasury practice note no. 4 of 2008/2009 which was issued in terms of sections 76(1) to 76(4) of the PFMA requires the following (effective from 1 April 2008):

Irregular expenditure that was incurred and identified during the current financial and which was condoned before year end and/or before finalisation of the financial statements must also be recorded appropriately in the irregular expenditure register. In such an instance, no further action is also required with the exception of updating the note to the financial statements.

Irregular expenditure that was incurred and identified during the current financial year and for which condonement is being awaited at year end must be recorded in the irregular expenditure register. No further action is required with the exception of updating the note to the financial statements.

Where irregular expenditure was incurred in the previous financial year and is only condoned in the following financial year, the register and the disclosure note to the financial statements must be updated with the amount condoned.

Irregular expenditure that was incurred and identified during the current financial year and which was not condoned by the National Treasury or the relevant authority must be recorded appropriately in the irregular expenditure register. If liability for the irregular expenditure can be attributed to a person, a debt account must be created if such a person is liable in law. Immediate steps must thereafter be taken to recover the amount from the person concerned. If recovery is not possible, the accounting officer or accounting authority may write off the amount as debt impairment and disclose such in the relevant note to the financial statements. The irregular expenditure register must also be updated accordingly. If the irregular expenditure has not been condoned and no person is liable in law, the expenditure related thereto must remain against the relevant programme/expenditure item,

be disclosed as such in the note to the financial statements and updated accordingly in the irregular expenditure register.

Irregular expenditure is expenditure that is contrary to the Municipal Finance Management Act (Act No.56 of 2003), the Municipal Systems Act (Act No.32 of 2000), and the Public Office Bearers Act (Act No. 20 of 1998) or is in contravention of the economic entity's supply chain management policy. Irregular expenditure excludes unauthorised expenditure. Irregular expenditure is accounted for as expenditure in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

1.17 Budget information

Municipality are typically subject to budgetary limits in the form of appropriations or budget authorisations (or equivalent), which is given effect through authorising legislation, appropriation or similar.

General purpose financial reporting by municipality shall provide information on whether resources were obtained and used in accordance with the legally adopted budget.

The approved budget is prepared on a cash basis and presented by economic classification linked to performance outcome objectives.

The approved budget covers the fiscal period from 01/07/2015 to 30/06/2016.

The budget for the economic entity includes all the entities approved budgets under its control.

The financial statements and the budget are on the same basis of accounting therefore a comparison with the budgeted amounts for the reporting period have been included in the Statement of comparison of budget and actual amounts.

1.18 Related parties

The municipality operates in an economic sector currently dominated by entities directly or indirectly owned by the South African Government. As a consequence of the constitutional independence of the three spheres of government in South Africa, only entities within the local sphere of government are considered to be related parties.

Management are those persons responsible for planning, directing and controlling the activities of the municipality, including those charged with the governance of the municipality in accordance with legislation, in instances where they are required to perform such functions.

Close members of the family of a person are considered to be those family members who may be expected to influence, or be influenced by, that management in their dealings with the municipality.

Only transactions with related parties not at arm's length or not in the ordinary course of business are disclosed.

1.19 Events after reporting date

Events after reporting date are those events, both favourable and unfavourable, that occur between the reporting date and the date when the financial statements are authorised for issue. Two types of events can be identified:

- those that provide evidence of conditions that existed at the reporting date (adjusting events after the reporting date); and
- those that are indicative of conditions that arose after the reporting date (non-adjusting events after the reporting date).

The municipality will adjust the amount recognised in the financial statements to reflect adjusting events after the reporting date once the event occurred.

The municipality will disclose the nature of the event and an estimate of its financial effect or a statement that such estimate cannot be made in respect of all material non-adjusting events, where non-disclosure could influence the economic decisions of users taken on the basis of the financial statements.

1.20 Payable from exchange and non-exchange transactions

Payables are classified as "liabilities at amortised cost" and are initially recognised at the fair value of the present obligation of past events. Subsequent measurement is at amortised value if material.

2. New standards and interpretations

Standards and interpretations approved, but not yet effective

The municipality has not applied the following standards and interpretations, which have been approved and published, but not yet effective.

Approved standards but not effective

Document number	Title	Summary
GRAP 20	Related party disclosure	Standard objective is to ensure that a reporting entity's financial statements contain the disclosures necessary to draw attention to the possibility that its financial position and surplus or deficit may have been affected by the existence of related parties and by transactions and outstanding balances with such parties.
GRAP 32	Service concession arrangement: Grantor	The objective of this Standard is to prescribe the accounting for service concession arrangements by the grantor, a public sector entity.

GRAP 108	Statutory receivables	The objective of this Standard is to prescribe accounting requirements for the recognition, measurement, presentation and disclosure of statutory receivables.
GRAP 109	Accounting principles and agents	The objective of this Standard is to outline principles to be used by an entity to assess whether it is party to a principal-agent arrangement, and whether it is a principal or an agent in undertaking transactions in terms of such an arrangement.

NOTES TO THE ANNUAL FINANCIAL STATEMENT

3. Inventories

Figures in Rands	2016	2015 Restated*
Consumables	525 724	251 660
RDP Houses	2 240 780	2 621 200
	2 766 504	2 872 860

RDP houses that are part of the municipal inventory were impaired due to faulty structures and some of the recognised items did not exist.

Reconciliation of RDP inventory with previously disclosed amount

	2016	2015 Restated*
RDP Houses opening balances	2 621 200	19 416 788
Prior year adjustments	-	(12 733 283)
Restated prior year balance	2 621 200	6 683 505
Transfers of RDP Houses to beneficiaries	(348 100)	(2 361 680)
Impairments	(32 320)	(1 700 625)
Closing balance- RDP houses	2 240 780	2 621 200

4. Receivables from Exchange Transactions

2016

	Gross Receivables	Allowance for impairment	Net Receivables
Sundry receivables	521 274	(521 274)	-
Refuse receivables	1 270 936	(1 160 400)	110 536
Rental	615 823	(303 870)	311 953
Total	2 408 033	(1 985 544)	422 489

2015

	Gross Receivables	Allowance for impairment	Net Receivables
Sundry receivables	425 558	-	425 558
Refuse receivables	1 017 463	(762 913)	254 550
Rental	383 411	(261 372)	122 039
Total	1 826 432	(1 024 285)	802 147

Sundry receivables consist of amounts recognised for interest charged on arrear consumer receivable and receivables on traffic fines.

Trade and other receivables past due date but not impaired

Trade and other receivables which were 60 days old were not impaired.

At 30 June 2016 receivables amounting to R115 311 (June 2015 R110 780) were past due date but were not impaired.

Trade and other receivables impaired

At 30 June 2016 trade and other receivables that were impaired amounted to R1 985 544 (2015: R1 024 285).

The current year impairment loss amounted to R771 782.

This amount is made up of the following:

Rentals	42 498
Sundry Receivables	521 274
Refuse	208 010

771 782

In calculating the impairment loss for receivables the following were considered:

- The payments received from receivables for the year
- The age of the debt
- Current and 30 days were considered
- Current and 30 days were considered not to have past due date
- Receivables 60 days old were considered past due date but were not impaired.

The municipality assessed the balances that were 60 days old for recoverability and believes that they are of good credit quality. The creation and the release of the impairment loss for receivables have been included in the Statement of Financial Performance.

Reconciliation of the allowance for impairment of trade and other receivables

	Total	Rentals	Refuse	Sundry Receivable
Opening Balance	1 213 762	261 372	952 390	-
Impairment loss created	771 782	42 498	208 010	521 274
Closing Balance	1 985 544	303 870	1 160 400	521 274

Age Analysis

2016

	Total	Sundry receivable	Refuse	Rental
Current-30 days	14 242		21 233	(6 991)
31-60 days	15 292		22 283	(6 991)
61-90 days	111 064		24 598	86 466
91-120 days	(66 509)		25 570	(92 079)
121-150 days	113 160		25 340	87 820
151-180 days	114 589		27 158	87 431
> 180 days	2 106 195	521 274	1 124 754	460 167
	2 408 033	521 274	1 270 936	615 823

Age Analysis

2015

	Total	Sundry receivable	Refuse	Rental
Current-30 days	(382 398)		20 090	(402 488)
31-60 days	108 416		19 770	88 646
61-90 days	110 599		20 633	89 966
91-120 days	46 980		15 420	31 560
121-150 days	108 998		20 132	88 866
151-180 days	77 123		17 460	59 663
> 180 days	1 756 714	425 558	903 958	427 198
	1 826 432	425 558	1 017 463	383 411

5. Receivables from non-exchange transactions

2016

	Gross Receivables	Allowance for impairment	Net Receivables
Rate receivables	9 872 176	(9 432 435)	439 741
Customer Interest	1 985 008	(1 859 034)	125 975
Councillor's allowance	593 004	(593 004)	-
Fines Receivables	843 950	(789 200)	
	13 294 138	(12 673 673)	620 465

2015

	Gross Receivables	Allowance for impairment	Net Receivables
Rate receivables	8 451 323	(8 114 498)	336 825
Customer Interest	1 584 875	(1 458 689)	126 186
Councillor's allowance	593 004		593 004
	10 629 202	(9 573 186)	1 056 015

Receivables from non-exchange transactions past due date but not impaired

Receivables from non-exchange transactions which were 60 days old were not impaired.

At 30 June 2016 receivables amounted to R410 882 (June 2015: R261 562) were past due date but were not impaired.

Trade and other receivables impaired

At 30 June 2016 trade and other receivables that were impaired amounted to R11 291 466 (2015: R9 573 187).

The current year impairment loss amounted to R1 718 279. This amount is made up of the following:

Rates	1 317 937
Interest	400 342
	<u>1 718 279</u>

Please refer to note 4 for the explanation of the calculation of allowance of impairment loss.

The creation and the release of the impairment loss for receivables have been included in the Statement of Financial Performance.

Reconciliation of the allowance for impairment of trade and other receivables

	Totals	Rates	Interest	Fines	Councillor's Allowance
Opening Balance	9 573 187	8 114 498	1 458 689	-	-
Impairment loss created	3 100 483	1 317 937	400 342	789 200	593 004
Closing Balance	12 673 670	9 432 435	1 859 034	789 200	593 004

Included in the receivables from non-exchange transaction is amount of R593 004 which relates to councillor allowance.

The impairment of R49 500 arose as a result of receivable that should have created in the previous year. The amount was not recognised in the past, during the current year the amount was recognised as a prior year error and an impairment loss was raised in the current year.

Age Analysis

2016

	Total	Rate receivable	Customer Interest	Councillors' allowance
Current-30 days	384 103	370 323	13 780	
31-60 days	381 196	372 474	8 722	
61-90 days	135 098	92 250	42 848	
91-120 days	(234 710)	(280 614)	45 904	
121-150 days	240 592	196 019	44 573	
151-180 days	422 317	379 658	42 659	
> 180 days	11 121 592	8 742 066	1 786 522	593 004
	12 450 188	9 872 176	1 985 008	593 004

2015

	Total	Rate receivable	Customer Interest	Councillors' allowance
Current-30 days	232 195	187 835	44 360	
31-60 days	250 528	205 989	44 539	
61-90 days	256 737	212 087	44 650	
91-120 days	(215 115)	(248 403)	33 288	
121-150 days	247 637	203 993	43 644	
151-180 days	245 876	203 310	42 566	
> 180 days	9 611 344	7 686 512	1 331 828	593 004
	10 629 202	8 451 323	1 584 875	593 004

6. VAT receivable

Figures in Rands	2016	2015 Restated*
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The VAT receivable consists of the following		
Input VAT receivable	28 196 660	24 435 477
Output VAT	(17 658 502)	(17 424 871)
	10 538 158	7 010 606

7. Cash and Cash equivalents

Figures in Rands	2016	2015 Restated*
Cash and cash equivalent consist of		
Cash on hand	89 392	23 443
Bank balances	1 729 956	6 876
Investment balances	7 024 240	1 859 322
	8 843 588	1 889 641

The municipality had the following bank accounts:

Account description	Bank statement balances			Cash Book balances		
	June 2016	June 2015	June 2014	June 2016	June 2015	June 2014
Main Account: Current account - FNB	1 729 956	6 876	3 852 866,00	1 729 956	6 876	3 852 866
Investment Balance	48	48		48	48	-
Operations	800	-	2 253 137,00	800	-	2 253 137
Vat Call Account	6 282 916	601 000		6 282 916	601 000	-
Institutional	5 413	-	118 476,00	5 413	-	118 476
FEB Account	1 000	1 000	100 499,00	1 000	1 000	100 499
Municipal Support Institutional	1 000	1 000		1 000	1 000	-
MPCC Call Account	-17	(17)		-17	(17)	-
Free Basic Services Grant	1 003	1 003		1 003	1 003	-
INEP- FNB Call Account	1 000	1 000		1 000	1 000	-
FMG	1 000	1 000	1 782,00	1 000	1 000	1 782
MIG	1 000	1 000	1 000,00	1 000	1 000	1 000
MSIG	1 000	1 000	1 148,00	1 000	1 000	1 148
DEDEAT	1 000	34 544		1 000	34 544	-
DSRAC	236 475	1 642		236 475	1 642	-
EPWP	1 000	1 000	1 005,00	1 000	1 000	1 005
Thina Sinako	486 602	84 151	83 819,00	486 602	84 151	83 819
Traffic Fines	1 000	1 102 884		1 000	1 102 884	-
Vukani Mangqamza	1 000	3 115	2 987,00	1 000	3 115	2 987
DBSA LOAN	1 000	23 952		1 000	23 952	-
FNB Call Account	-	-	655 342,00	-	-	655 342
FNB Call Account	-	-	1 391 950,00	-	-	1 391 950
FNB Call Account	-	-	839 192,00	-	-	839 192
FNB Call Account	-	-	16 066,00	-	-	16 066
	8 754 196	1 866 198	9 319 269	8 754 196	1 866 198	9 319 269

8. Investment Property

	2016	2015
	Cost / Valuation	Cost / Valuation
Investment Property	23 114 591	25 055 031

Reconciliation of investment property

	2016	2015 Restated*
Opening balance –	25 055 031	10 374 131
Prior year errors	-	7 879 354
Fair value adjustment	(1 940 440)	6 801 546
Closing balance	23 114 591	25 055 031

During the current reporting period various errors were identified in the investment property amount. The errors were quantified and adjustments were processed. Property which was erroneously disclosed as inventory was transferred to investment property. Property which was erroneously categorised as inventory and valued at lower of cost or current replacement cost was transferred to Investment property as at 30 June 2015 financial year end. Subsequently it was measured at fair value in accordance to Investment property GRAP standard.

During the current year, the fair value calculation was not done as management is of the view that the valuation that was done in the previous year is adequate for the purpose of valuing the year-end balance of investment property.

Ntabankulu Local Municipality
Annual Financial Statements for the financial year ended 30 June 2016

9. Property Plant and Equipment

	2016			2015		
	Cost / Valuation	Accumulated Depreciation and accumulated impairment	Carrying Amount	Cost / Valuation	Accumulated Depreciation and accumulated impairment	Carrying Amount
Buildings	76 291 940	(19 980 073)	56 311 867	105 952 474	(23 606 580)	82 345 894
Furniture and fixtures	2 715 990	(937 540)	1 778 450	2 267 345	(1 655 137)	612 209
Motor Vehicles	5 962 166	(2 554 384)	3 407 782	4 393 601	(989 097)	3 404 504
Office Equipment	652 414	-	652 414	158 342	(101 651)	56 692
IT Equipment	2 754 601	(1 512 816)	1 241 785	1 857 560	(1 151 672)	705 978
Infrastructure	145 255 944	(38 851 654)	106 404 290	91 166 404	(25 470 356)	65 696 048
Leased Assets	736 646	-	736 646	443 400	(147 800)	295 600
Work in progress	132 588 437	-	132 588 437	73 730 268	-	73 730 268
Total	363 423 639	(62 752 690)	300 670 949	279 969 485	(53 122 293)	226 847 192

Reconciliation of Property Plant and Equipment – 2016

	Opening Balance	Additions	Transfer received	Depreciation	Transfers	Disposal	Total
Buildings	82 345 894	6 752 665	-	(4 541 499)	-	-	84 557 060
Land	2 033 539	-	-	-	-	-	2 033 539
Furniture and fixtures	698 596	41 274	-	(176 287)	-	-	563 584
Motor Vehicles	3 404 504	758 235	(323 497)	(280 341)	-	-	3 558 901
Office Equipment	403 113	-	-	-	-	-	403 113
IT Equipment	1 052 399	81 448	-	(278 396)	-	-	855 451
Infrastructure	77 752 256	19 245 622	-	(7 737 375)	-	-	89 260 503
Leased Assets	295 600	293 246	-	-	-	-	588 846
Work in progress	73 730 268	51 484 036	-	-	-	-	125 214 304

Ntabankulu Local Municipality
Annual Financial Statements for the financial year ended 30 June 2016

Total	241 716 170	78 656 525	-	(13 376 248)	-	362 350	305 001 760
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Reconciliation of Property Plant and Equipment – 2015

	Opening Balance	Additions	Transfers Received	Depreciation	Transfers	Disposal	Total
Buildings	105 952 474	-	-	(23 606 580)	-	-	82 345 894
Land	2 033 539	-	-	-	-	-	2 033 539
Furniture and fixtures	2 267 345	86 388	-	(1 655 137)	-	-	698 596
Motor Vehicles	4 393 601	2 078 955	-	(989 097)	-	-	5 483 459
Office Equipment	158 342	346 421	-	(101 651)	-	-	403 113
IT Equipment	1 857 650	346 421	-	(1 151 672)	-	-	1 052 399
Infrastructure	91 166 404	12 056 209	-	(25 470 356)	-	-	77 752 256
Leased Assets	443 400	-	-	(147 800)	-	-	295 600
Work In progress	4 372 630	69 357 638	-	-	-	-	73 730 268
Total	212 645 386	84 272 031	-	(53 122 293)	-	-	243 795 125

10. DBSA Loan

The municipality obtained a loan from the Development Bank of South Africa at a rate of 9% per annum repayable in instalments linked to the receipt of the INEP grant by the municipality. The duration of the loan was 2 years. The repayments were funded by the Integrated Electrification Program (INEP) grant that the municipality receives from National Government. In terms of the contract all amount received were suppose be paid to the DBSA.

Figures in Rands		2016	2015 Restated*
Non-Current Liabilities			
At amortised cost		-	-
Current Liabilities			
At amortised cost		18 765 988	30 010 559

11. Finance lease obligation

Figures in Rands		2016	2015 Restated*
Minimum lease payments due			
Within 1 year		623 658	148 510
in the second to fifth year		203 394	148 342

It is the municipality's policy to lease office equipment (printing equipment) under finance leases. The current leases are for a period not exceeding 5 years, with the lessor collecting the equipment at the end of the lease. Guaranteed fixed instalments are included in the lease in the lease for the full lease term with a fixed interest rate.

The general maintenance and repairs of the leased equipment are undertaken by the lessor on a separate contract with the payable monthly instalment linked to the rate of usage of the equipment by the municipality.

The prime rate at the commencement of the lease agreement was used to determine the finance costs, original cost and obligation.

12. Payables from exchange transactions

Figures in Rands	2016	2015 Restated*
Trade payables	14 008 772	7 176 022
Workmen's compensation	-	-
Total	16 141 615	7 176 022

13. Accrued Expenses

Figures in Rands	2016	2015 Restated*
Accrued leave pay	3 610 178	2 984 138
Accrued bonus	1 131 515	1 061 368
Total	4 741 694	4 045 506

14. Unspent conditional grants and receipts

Figures in Rands	2016	2015 Restated*
Spatial Planning (ANDM)	270 433	463 117
Municipal Infrastructure grant	(0.73)	-
Free Basic Services Electricity	(0.42)	(0.42)
Finance management	(0.22)	(0.22)
Sports Arts and Culture (DSRAC)	-	233 176
DEDEAT	167 380	422 906
EPWP	(1 755)	(9)
IEC	2 000 000	-
	2 436 015	1 119 189

These amounts are invested in a ring-fenced investment until utilised

15. Provisions

Figures in Rand	2016	2015 Restated*
Reconciliation of provisions		

Opening balance	10 004 568	5 175 900
Additions	-	4 828 668
Reversal	-180	-
Closing Balance	10 004 388	10 004 568

Although the municipality has already obtained a licence for the landfill site, the landfill site is not operational. It is included in the work in progress asset category and operations will commence once an engineering completion certificates received.

16. Long service awards

Figures in Rands	2016	2015 Restated*
Non - current portion	1 450 334	961 643
Current Portion	191 520	338 492
Total	1 614 854	1 300 135

At 30 June 2016, 142 employees were eligible for long service awards. The current service cost for the ensuing year is estimated to be R1 614 854(2014/2015: R1 300 135). At the valuation date the long service award liability of the municipality was unfunded, no dedicated assets were set aside to meet this liability. As a result, the valuer did not value any long service award related assets during his valuation. The key assumptions for the valuation for the 2015/2016 financial year are as follows:

	2016	2015
Discount rate	8.8	8.16
CPI	6.51	5.96
Salary Increase percentage	7.51	6.96
Net discount rate	1.2	1.12
Mortality	SA 85-90	SA 85-90
Normal retirement age	63	63

17. Service charges

Figures in Rands	2016	2015 Restated*
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Refuse removal		302 885	232 708
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18. Rental of facilities and equipment

Figures in Rands	2016	2015 Restated*
Venue hire and lease of office premises	927 639	947 830

19. Interest received

Figures in Rands	2016	2015 Restated*
Interest Charged on trade and other receivables	448 472	520 846
Interest earned on investment	1 941 969	1 708 731
Total	2 390 440	2 229 577

20. Property rates

Figures in Rands	2016	2015 Restated*
Property rates	4 707 812	2 721 629

Valuation on land and buildings are performed every 5 years. The general valuation came into effect on 1 July 2012.

The next general valuation will be implemented on 1 July 2017, Interim valuations are processed on an annual basis to take into account changes in individual property values due to alterations and subdivisions.

The following are the property categories and their current rates charge:

Residential property	0.004
Business property	0.004
Public infrastructure	0.001
Government properties	0.0015

Rebates are granted to religious and non-profit entities

21. Government grants and subsidies

Figures in Rands	2016	2015 Restated*
Operating Grants		
Equitable Share	98 512 000	79 930 000
Provincial Treasury Internal Streets	26 498 073	-
Electrification Grant – Finance	39 400 000	34 500 000
Finance Management Grant Finance	1 800 000	1 800 000
GRANT REALIZED -MSIG	930 000	934 000
Expanded Public Works (EPWP)	1 031 000	1 093 040
EPWP Community Services	436 680	820 936
DSRAC	484 761	779 096
Spatial Planning (ANDM)	100 000	28 540
DEDEAT	255 526	146 363
Precinct Plan Grants	192 684	
LGSETA & DPLGTA	-	149 542
DM & DPLG Grants	207	-
Total Operating Grants	169 640 724	120 181 516
Capital Grants		
Municipal Infrastructure Grant(MIG)	26 395 001	21 577 000
Total Grants	196 035 724	141 758 516
Conditional and unconditional grants		
Included in the above total grants are the following grants received:		
Conditional grants received	97 523 932	61 828 516
Unconditional grants received	98 512 000	79 930 000
Total Grants	196 035724	141 758 516

Grant Reconciliations

Equitable share

In terms of the constitution, this grant is used to subsidise the provision of basic services to indent community members.

	2016	2015
Balance unspent at beginning of the financial period	-	-
Current year receipts	98 871 000	79 930 000
Conditions met-transferred to revenue	(98 871 000)	(79 930 000)
	-	-
Conditions to be met- remain liabilities (see note 14)		
Gazetted amount	98 871 000	79 930 000
MIG		
Balance unspent at beginning of the financial period	-	-
Current year receipts	26 395 000	21 577 000
Conditions met-transferred to revenue	(26 395 000)	(21 577 000)
	-	-
Conditions to be met- remain liabilities (see note 14)		
Gazetted amount	26 395 000	25 577 000
INEP		
Balance unspent at beginning of the financial period	-	-
Current year receipts	39 400 000	34 500 000
Conditions met-transferred to revenue	(39 400 000)	(34 500 000)
	-	-
Conditions to be met- remain liabilities (see note 14)		
Gazetted amount	30 000 000	30 000 000
FMG		
Balance unspent at beginning of the financial period	1 000	1 000
Current year receipts	1 800 000	1 800 000
Conditions met-transferred to revenue	(1 800 000)	(1 800 000)
	1000	1000
Conditions to be met- remain liabilities (see note 14)		
Gazetted amount	1 800 000	1 800 000

MSIG

Balance unspent at beginning of the financial period	-	
Current year receipts	930 000	934 000
Conditions met-transferred to revenue	(930 000)	(934 000)
	-	-
Conditions to be met- remain liabilities (see note 14)		
Gazetted amount`	930 000	934 000

EPWP

Balance unspent at beginning of the financial period	(9)	-
Current year receipts	1 031 000	820 927
Conditions met-transferred to revenue	1 031 009	820 936
	129 365	(9)
Conditions to be met- remain liabilities (see note 14)		
The was over expenditure of R1 755 (see note 14)		
Gazetted amount	1 031 000	1 298 000

DSRAC

Balance unspent at beginning of the financial period	(18 173)	760 923
Current year receipts	-	-
Conditions met-transferred to revenue	436 680	779 096
	(1 585)	(18 173)
Conditions to be met- remain liabilities (see note 14)		

The over expenditure of R1 585 was financed from equity share.

Spatial planning grant

Balance unspent at beginning of the financial period	463 117	554 774
Current year receipts	-	400 000
Conditions met-transferred to revenue	(192 684)	(491 657)
	270 433	463 117
Conditions to be met- remain liabilities (see note 14)	270 433	463 117
The unspent grant is sitting in the main account.		



Dedeat

Balance unspent at beginning of the financial period	422 906	644 483
Current year receipts		(146 363)
Conditions met-transferred to revenue	(255 526)	
	193 291	498 120
Conditions to be met- remain liabilities (see note 14)	193 291	498 120

IEC

Balance unspent at beginning of the financial period	-	-
Current year receipts	2 000 000	-
Conditions met-transferred to revenue	-	-
	2 000 000	-
Conditions to be met- remain liabilities (see note 14)	2 000 000	-

22. Personnel related costs

Figures in Rands	2016	2015 Restated*
Basic	29 413 580	24 802 323
Bonus	2 415 938	2 011 671
Medical Aid - Company contributions	2 318 817	1 952 341
UIF	260 102	229 911
SDL	398 084	333 671
Defined Contribution Plans	3 340 738	3 153 498
Long service awards	66 940	423 399
Car Allowance	3 306 295	2 861 171
Housing benefits and allowances	2 301 851	2 106 319
Standby Allowances	232 338	415 408
Telephone allowances	67 369	57 892
Contribution to bargaining council	14 034	12 177
Salga levy	552 220	462 939
Total	44 688 306	38 822 720

23. Remuneration of Councillors

Figures in Rands	2016	2015 Restated*
Councillors	8 606 738	8 380 663
Councillors pension contribution	834 293	813 603
Total	9 441 031	9 194 266

24. Auditors Fees

Figures in Rands	2016	2015 Restated*
Auditors remuneration	3 427 281	3 626 319

Figures in Rands	2016	2015 Restated*
Outstanding Audit fees		
Current year audit fees	3 427 281	3 626 319
Amount paid Current year		
Audit fees payable	3 427 281	3 626 675

25. Depreciation and amortisation

Figures in Rands	2016	2015 Restated*
Property, Plant and Equipment	19 199 474	13 317 675

26. Finance Costs

Figures in Rands	2016	2015 Restated*
Interest paid	2 104 758	997 887

27. Impairment - Receivables

Figures in Rands	2016	2015 Restated*
Impairment loss-receivables	2 490 062	436 343

28. General Expenses

Figures in Rands	2016	2015 Restated*
Accounting fees	2 234 151	434 860
Advertising	728 031	520 068
Bank charges	108 919	97 575
Capacity Building	763 628	1 347 149
Consulting and professional fees	3 237 581	2 295 472
Electricity	662 498	740 188
EPWP Expenses	1 866 384	996 588
Financial Management Expenses	1 408 007	2 572 748
Fuel and oil	1 313 195	1 664 016
IDP Expenses	2 505 721	1 936 358
IT Expenses	306 580	408 666
Indigent subsidy	6 728 757	8 912 102
Insurance	508 623	594 840
LED project expenditure	140 679	453 975
Library services	506 488	775 750
Marketing and communication	949 823	979 776
Municipal systems improvement (MSIG) expenditure	1 078 031	848 262
Occupational health and safety	406 994	223 851
Operational expenses	4 306 426	2 184 310
Postage and Courier	-	1 618
Printing and stationery	373 205	903 968
Project expenditure	2 103 514	1 481 799
Public amenities	245 268	308 525
Refuse bags and bins	193 000	207 000
Royalties and licence fees	72 306	140 446
Salaries and administration for PMU department	1 298 970	1 163 098
Security (guarding of municipal offices)	1 981 451	1 332 693
Telephone and fax	4 149 839	2 450 574
Travel – Local	3 247 686	2 628 348
Ward Committee sitting expenses	1 058 369	424 632
Waste management	154 819	305 071
Total general expenses	44 638 944	39 334 328

29. Fair value adjustments

Figures in Rands	2016	2015 Restated*
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Investment property	1 940 440	(6 801 546)
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30. Net Cash flows from operating activities

Figures in Rands	2016	2015 Restated*
Surplus	63 709 713	43 642 336
Adjustment for:	12 637 091	5 933 495
Depreciation and impairment of intangible assets	18 899 953	13 169 875
Loss on sale of assets and liabilities	-	34 775
Fair value adjustments	-	(1 348 146)
Impairment deficit - RDP Houses	(5 492 500)	-
Disposal of RDP Houses	-	1 092 810
Debt impairment	(1 406 674)	(1 872 994)
Movements in provisions – Landfill	180	(4 828 668)
- Leave	636 132	(383 102)
- Bonus	-	68 944
Changes in working capital:	3 031 249	5 354 492
Inventories	2 295 823	12 167 600
Receivables from exchange transactions	(558 790)	(467 042)
Receivables from non-exchange transactions	(1 818 624)	(896 541)
Other receivables from non-exchange transactions	-	-
Payables from exchange transactions	6 308 459	1 445 767
VAT	(3 594 543)	(6 419 397)
Unspent conditional grants and receipts	398 923	(475 894)
Net cash flows from operating activities	79 378 053	54 891 418

31. Commitments

Figures in Rands		2016	2015 Restated*
Approved Capital expenditure		38 759 218	48 227 182
Approved and contracted for		-	-
Approved but not yet contracted for		-	-
Authorised operational expenditure		5 262 577	541 108
Authorised and contracted for			
Authorised and not contracted for		-	-
		44 021 795	48 768 290

32. Contingencies

Figures in Rands	Case number	2016	2015
Drodar Trading CC	628/12	200 000	600 000
P Ntintili (applicant)	968/12	200 000	150 000
P Ntintili (applicant)	883/12	200 000	200 000
Ingenious Information Systems (applicant)			200 000
Municipal Traffic Wardens Vs State	Unknown	5 105	5 105
IMATU and SAMWU vs SALGA Unknown	Unknown	3 696 278	3 696 278
Total contingent liabilities		4 301 383	4 851 383

Drodar Trading CC vs NLM (Case number 628/12)

The Applicant alleges that the municipality breached a contract by failing to pay after the applicant had supplied building material. The case is ongoing and the prospect of success is reasonable.

The potential loss to the municipality is R200 000. Legal fees are estimated at R25 000.

P Ntintili vs NLM (Case number 968/12)

The plaintiff entered into an alleged contract of employment with the municipality but the municipality failed to perform as required by the contract. The case is ongoing and the prospect of success is reasonable.

The potential loss to the municipality is R200 000. Legal fees are estimated at R25 000.

Ingenious Information Systems vs NLM (Case number unknown)

The dispute is about non-payment of an invoice for services rendered. The dispute was ongoing at reporting date but subsequent to year end, the parties agreed that the municipality pay the applicant an amount of R96 467.

Siphokazi Cekwana vs NLM (Case number unknown)

The Municipality hosted an event on the 26 March 2015 at the Ntabankulu Sports field where Miss Siphokazi Cekwana was attending. During the afternoon of this event, a storm hit the area at which the event took place. The tent collapsed, injuring Ms Siphokazi Cekwana on the right foot. The attorneys are claiming damages due to negligence by the municipality. There is no reimbursement from any third parties for potential obligations of the municipality.

The claim has not been quantified. The legal fees are yet to be estimated.

IMATU and SAMWU vs SALGA (Case number unknown)

On 21 August 2010, SALGA signed a wage curve agreement with both IMATU and SAMWU on behalf of municipalities. The unions have since declared a dispute and have referred this matter to the Labour Court. The Court delivered a ruling on 22 June 2012 in favour of the unions but SALGA has appealed. On 14 May 2014, the Labour Court upheld SALGA's position. The agreement in question lapsed on 30 June 2012 and the disputed matter (job evaluation function) now rests within the individual municipal management prerogative.

The potential damages that may arise to this municipality due to this ongoing dispute are unknown.

NLM vs Somdaka Funeral Parlour (Case number unknown)

The municipality entered into a lease agreement with Somdaka Funeral Parlour subsequently to the signing of the lease agreement, an offer for the purchase of the property was signed by the parties for the sale of the property to the parlour. The sale of the property to Somdaka did not succeed. An order for the eviction of the parlour awaits a resolution of the Council before it is enforced.

The prospect of success is reasonable and the amount of claim is estimated at R70 000. The legal fees are estimated at R114 176.

33. Related parties

There were no related party transactions for the year.

34. Prior period errors

Statement of financial position	As previously reported	Correction of errors	Restated	Reference
Current Assets				
Inventories	10 582 250	(7 709 390)	2 872 860	1
Receivable from exchange transactions	(69 203)	871 349	802 147	2
Receivable from non- exchange transactions	314 529	148 482	463 011	
Vat receivables	6 914 146	96 460	7 010 606	4
Cash and cash equivalents	1 895 774	(6 134)	1 889 640	5
Non-Current Assets				
Investment property	10 374 131	14 680 900	25 055 031	1
Property, plant and equipment	236 677 462	2 785 253	239 462 715	
Intangible Assets	93 424	(93 424)	-	6
Current Assets				
Finance lease obligation	-	(148 510)	(148 510)	10
DBSA Loan	(11 958 385)	(18 052 174)	(30 010 559)	7
Payables from exchange transactions	(1 436 659)	(5 739 364)	(7 176 022)	4
Unspent conditional grants and receipts	(1 575 663)	456 473	(1 119 190)	8
Accrued Expenses	(4 086 544)	41 039	(4 045 506)	9
Non-Current				
DBSA Loan	(18 052 174)	18 052 174	-	7
Finance lease obligation	-	(148 342)	(148 342)	10
Long service awards	(876 736)	(243 910)	(1 120 646)	11
Net Assets				
Accumulated Surplus	(184 584 201)	3 360 004	(181 224 197)	
Statement of financial performance	Prior Year Audited Balance	Adjustment	Adjusted Balance	
Personnel related costs	38 402 847	(43 065)	38 359 782	12
Auditors fees	3 626 319	(122 048)	3 504 271	
Depreciation and impairment of intangible assets	13 022 075	295 600	13 317 675	6
Transfer of RDP Homes	-	2 361 680	2 361 680	1
Impairment loss - RDP Houses	9 105 300	(7 404 675)	1 700 625	
Finance costs	298 428	699 414	997 842	13
Contribution to the Allowance for the impairment of receivables	1 406 674	(970 331)	436 343	2

General expenses	39 706 226	2 285 939	41 992 165	14
Fair value adjustment	(1 348 146)	(5 453 400)	(6 801 546)	3

Certain comparative figures had been reclassified to enhance presentation. Material amendments to prior years due to error or reclassification are explained below;

1. Inventory assessment was done and a portion of land had been reclassified from inventory to investment property. Adjustment on RDP houses transferred to beneficiaries were taken into account by expensing them in the Income statement.

2. Receivables balances for Rates, Rentals, Customer Interest and Refuse were revised by agreeing them to the aging balances. The impairment of receivables was revised resulting in adjustment in Contribution to the allowances.

3. Investment property was revalued resulting in fair value adjustment.

4. Accruals were understated in the prior year resulting in prior year adjustment to payables and vat receivables.

5. Bank balances emanating from prior years not backed by the actual cash in the bank had been reversed.

6 Assets previously disclosed as intangible assets had been reversed and the assets in the register does not meet the definition of intangible assets.

7. The full DBSA loan was reclassified as short term liability.

8. Conditional grant liability was previously overstated as the amount received and utilised in prior years was recognised as revenue by decreasing the liability.

9. Provision for leave pay previously overstated had been adjusted.

10. Assets which met the definition of finance lease had been capitalised both the finance lease assets and liability were understated

11. The Long Service Awards provision was previously understated. The correction of this understatement has resulted in an increased provision for Long Service Awards provisions

12. Subsistence and Travelling incorrectly classified under basic salaries had been reclassified.

13. The interest on DBSA loan accrued at year end was not accounted in the prior. The adjustment resulted in increase in payables and increase in interest.

14. Expenditure reclassified resulting in an increase in General expenditure and audit fees.



35. Risk management

The accounting officer provides written principles for overall risk management, as well as written policies covering specific areas, such as credit risk, use of non-derivative financial instruments, and investment of excess liquidity.

Liquidity risk

The municipality's risk to liquidity is a result of the funds available to cover future commitments. The municipality manages liquidity risk through an ongoing review of future commitments.

Cash flow forecasts are prepared and adequate utilised borrowing facilities are monitored.

Payables from exchange transactions with an amount of R 16 141 065 (2015: R7 176 022) are exposed to liquidity risk.

Credit risk

Credit risk consists mainly of cash deposits, cash equivalents and trade receivables. The municipality only deposits cash with major banks with high quality credit standing and limits exposure to any one counter-party.

Trade receivables comprise a widespread customer base. Management evaluated credit risk relating to customers on an on-going basis. If customers are independently rated, these ratings are used. Otherwise, if there is no independent rating risk control assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. No credit limits were exceeded during the reporting period, and management does not expect any deficits from non-performance by these counterparties.

Financial assets exposed to credit risk at the end of the year were as follows:

Financial instrument	2016	2015
Receivables from exchange transactions	422 489	802 147
Receivables from non-exchange transactions	620 465	1 056 015
Cash and cash equivalents	8 843 588	1 889 640

Market risk

The municipality is not exposed to this risk due to the nature of its operations.

Interest rate risk

As the municipality has no significant interest-bearing assets, the municipality's income and operating cash flows are substantially independent of changes in market interest rates.

36. Going concern

The financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

37. Events after the reporting date

There were no significant events after the reporting date that may affect the financial statements.

38. Unauthorised expenditure

	2016	2015
Unauthorised expenditure for the year	16 441 736	
Amount written off		
	16 441 736	

39. Fruitless and wasteful expenditure

	2016	2015
Fruitless and wasteful expenditure (opening balance)	7 347 061	7 295 643
Fruitless and wasteful expenditure (Current year)	1 025 355	51 418
Amount written off	(7 347 061)	7 347 061
	1 025 355	7 347 061

40. Irregular expenditure

	2016	2015
Opening balance	259 922 530	31 166 599
Less: amount written off	(259 922 530)	

Add: Irregular Expenditure - current year	17 209 205	97 471 196
Balance	17 209 205	128 637 795
Add: Reversal of amount previously condoned without following prescripts	-	131 284 735
	17 209 205	259 922 530
Less: irregular expenditure incorrectly disclosed	(2 349 844)	
Less: Amount written off by Council	(13 733 745)	-
Less: Amounts recoverable (not condoned)	-	-
Closing balance	1 125 626	259 922 530

41. Additional disclosure in terms of Municipal Finance Management Act

Figures in Rands	2016	2015
43. Additional disclosure in terms of Municipal Finance Management Act		
PAYE, UIF and SDL		
Opening balance	633	
Current year subscription/fee	8 869 824	6 142 547
Amount paid	(8 335 840)	(6 627 733)
Closing balance	534 617	633
Pension and Medical Aid deductions		
Opening balance	-	-
Current year subscription/fee	10 703 243	5 422 924
Amount paid	(9 730 125)	(5 422 924)
Closing balance	973 118	-
VAT		
VAT receivable	10 538 158	7 010 606
VAT output payables and VAT input receivables are shown in note 7. All VAT returns have been submitted by the due date throughout the year		



42. Utilisation of Long-term liabilities reconciliation

	2016	2015
Long-term liabilities raised	19 327 329	30 676 547
Used to finance Property, Plant and Equipment	(18 100 000)	(30 010 559)
	1 227 329	665 988
		30 010 559
Cash set aside for the payment of long term liabilities	1 227 329	30 676 547

Long-term liabilities have been utilized in accordance with the Municipal Finance Management Act. Sufficient cash has been set aside to ensure that long-term liabilities can be repaid on redemption date.

43. Deviation from supply chain management regulations

Paragraph 12(1)(d)(i) of Government Gazette No. 27636 issued on 30 May 2005 states that a supply chain management policy must provide for the procurement of goods and services by way of a competitive bidding process.

Paragraph 36 of the same gazette states that the accounting officer may dispense with the official procurement process in certain circumstances, provided that he records the reasons for any deviations and reports them to the next meeting of the council and includes a note to the financial statements.

44. Directors' remuneration

Executive – 2016				
	Emoluments	Other benefits	Contribution to UIF, Medical Aid and Pension Fund	Total
Other				
Ms S Mankahla	746 480,69	160 509,07	163 070,70	1 070 060,46
Mr S Matiwane	570 500,51	336 249,96	2 033,20	908 783,66
Ms N Ndlaku	570 500,51	336 249,96	2 033,20	908 783,66
Ms C Qotoyi	864 316,41	152 885,23	2 033,20	1 019 234,84
Ms T Jako-Wutu	570 500,51	336 249,95	2 033,20	908 783,66
Mr S Nodo	492 324,23	336 249,96	80 209,48	908 783,66
	3 814 622,86	1 658 394,12	251 412,98	5 724 429,95
Executive – 2015				
	Emoluments	Other benefits	Contribution to UIF, Medical Aid and Pension Fund	Total
Other				
Ms S Mankahla	828 263,94	151 423,65	29 803,10	1 009 491,00
Mr S Matiwane	538 104,64	317 216,94	2 021,50	857 343,08
Ms N Ndlaku	538 104,64	317 216,94	2 021,50	857 343,08
Ms C Qotoyi	815 289,46	144 231,35	2 021,50	961 542,30
Ms T Jako-Wutu	513 854,44	317 216,94	26 271,70	857 343,08
Mr S Nodo	502 014,04	317 216,94	38 112,10	857 343,08
	3 735 631,17	1 564 522,76	100 251,71	5 400 405,64

the 1990s, the number of people in the UK who are employed in the public sector has increased by 1.5 million, from 2.5 million in 1980 to 4 million in 1999 (Department of Health 2000).

There is a growing emphasis on the need to improve the efficiency of the public sector, and to ensure that the public sector is able to deliver the services that are required by the public. This has led to a number of initiatives, including the introduction of competition, the restructuring of public services, and the introduction of new management practices. These initiatives have led to a number of changes in the way that public services are delivered, and have led to a number of improvements in the efficiency of the public sector.

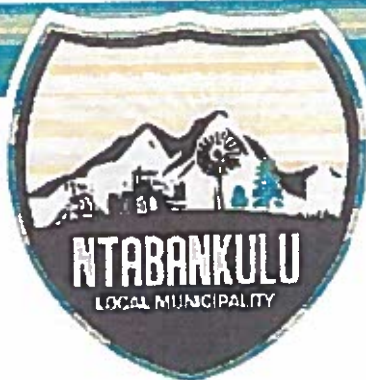
One of the key challenges facing the public sector is the need to improve the efficiency of the public sector, and to ensure that the public sector is able to deliver the services that are required by the public. This has led to a number of initiatives, including the introduction of competition, the restructuring of public services, and the introduction of new management practices. These initiatives have led to a number of changes in the way that public services are delivered, and have led to a number of improvements in the efficiency of the public sector.

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Date: 31 August 2016

COUNCIL RESOLUTION EXTRACT: SCM.01.31/08/16

Extract 29 August 2016

Time: 12H30

Venue: Municipal Town Hall

Adoption of Draft Annual Financial Statements

In the special council meeting held on the 29 August 2016, the mayor tabled a report on the Draft Annual Financial Statements (AFS) before the Council for approval and submission to AGSA thereof. The mayor stated that the AFS represent the financial position and financial performance of the municipality for the year ended 30 June 2016.

He indicated that the AFS were prepared in compliance with the requirements of GRAP standard as prescribed in section 122 of the MFMA. He cautioned the council to note the increase on government grants and subsidies at an amount of R53 993 205 from 2014/2015 financial year. He further stated that all grants were fully spent except for provincial treasury for the construction of internal street of which the project started late and the rollover has been approved by Treasury.

Therefore, the Council **RESOLVED**

1. That the Annual Financial Statements for the year ended 30 June 2016 be and are hereby noted.
2. That the Annual Financial Statements be and hereby submitted to the Auditor-General for audit purposes.

SCM.01.29/08/16

Signed

V. Matwasa

31/08/2016

Date



the 1990s, the number of people in the UK who are employed in the public sector has increased by 1.5 million, from 2.5 million in 1980 to 4 million in 1999. The public sector has grown from 10% of the economy to 17% of the economy. The public sector has grown in size and importance, and it is now a major employer of the UK population.

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Province of the
EASTERN CAPE

**LOCAL GOVERNMENT
& TRADITIONAL AFFAIRS**

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Ref. No : 8/3/1

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CIRCULAR

NO. 1 OF 2014 (MUNICIPAL ANNUAL REPORT)

TO: All Executive Mayors/Mayors

CC: Speakers

Municipal Managers

Strategic Managers

IDP/PMS Co-ordinators

**RE: REQUEST FOR THE CONSIDERATION OF KEY PERFORMANCE INDICATORS
IN THE DEVELOPMENT OF THE ANNUAL REPORT**

PURPOSE

The purpose of this communiqué is to request the Executive Mayors and Mayors of all municipalities to closely monitor the processes towards the development, tabling and adoption of municipal annual reports. This request is triggered by the poor quality reports that have been submitted by municipalities for 2012/13 financial year.

BACKGROUND

The department of Cooperative Governance and Traditional Affairs has noticed with concern the quality of annual reports that are developed by municipalities. This is largely as a result of guiding circulars from National Treasury which seem to focus mainly on financial reporting and



Ikamva eliqaqambileyo!

**RE: REQUEST FOR THE CONSIDERATION OF KEY PERFORMANCE INDICATORS
IN THE DEVELOPMENT OF THE ANNUAL REPORT**

neglecting the performance information reflection, thereby denying the MEC for local government an opportunity to report on the performance of municipalities in terms of Section 47 of MSA.

The annual reports that are submitted by municipalities to the MEC for local government are developed in compliance with section 46 of MSA and chapter 12 of MFMA respectively.

The provincial department together with the National Department of Cooperative Governance developed indicators that seek to assist municipalities to provide information that will assist the MEC to report on municipal performance. All municipalities were work-shopped on these indicators for purposes of reporting on their performance. During the assessment of the reports for 2012/13 financial year it has been observed that municipalities have not taken these indicators into consideration when reporting hence their reports are lacking crucial performance information.

The following is the list of indicators that were agreed upon and on how the performance information should be populated:-

**Chapter: Organisational Transformation and Institutional Development –
KPA 1**

Annual performance as per key performance indicators in municipal transformation and organizational development

	Indicator name	Total number of people (planned for) during the year under review	Achievement level during the year under review	Achievement percentage during the year	Comments on the gap
1	Vacancy rate for all approved and budgeted posts;				
2	Percentage of appointment in strategic positions (Municipal	6	6	100%	No gap



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	Indicator name	Total number of people (planned for) during the year under review	Achievement level during the year under review	Achievement percentage during the year	Comments on the gap
	Manager and Section 57 Managers)				
3	Percentage of Section 57 Managers including Municipal Managers who attended at least 1 skill development training course within the FY	2	2	100%	The plan prioritised two Directors in the year 2015/2016.
4	Percentage of Managers in Technical Services with a professional qualification	4	4	100%	No gap
5	Level of PMS effectiveness in the DM – (DM to report)	<p>Performance Management System Framework was developed; it was implemented to Directors, The Municipality embarked on cascading the framework to the lower levels 2013/2014. Various workshops have been undertaken to employees and Councillors' in the financial year 2013/2014. In 2014/2015 it was implemented to Directors and Managers and was further cascaded to Officers in the financial year 2015/2016.</p> <p>Ntabankulu Local Municipality has reviewed its Performance Management System Framework in 2015/2016 financial year and Institutional Score card adopted by Council on the 27 May 2015, to integrate municipality's strategic objectives into the performance management process.</p> <p>The institutional score card has been adopted by council in May 2015 which includes Integrated Development Plan priorities, service delivery and budget implementation plan 2015/2016 (SDBIP) and individual performance contracts and plans.</p> <p>Directorates develop their monthly plans and report monthly through management meetings. Quarterly performance reports and reviews have been done through Council Standing Committees. Mid- year performance reporting and reviews have been done through Council Standing Committees and annual reporting and review have been done through the MPAC and adopted by the Council.</p>			
6	Level of effectiveness of PMS in the LM – (LM to report)				



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	Indicator name	Total number of people (planned for) during the year under review	Achievement level during the year under review	Achievement percentage during the year	Comments on the gap
		<p>Performance agreements 2015/2016 have been signed by all Directors and were submitted to Department of Local Government & Traditional Affairs. Performance agreements for Managers reporting to Directors and Officers reporting to Managers have been signed. First, Second and third Quarter performance evaluations for 2015/2016 have been conducted. Performance Management System policy was again reviewed in 2015/2016 and was adopted by Council in May 2016 for implementation in the next financial year.</p> <p>Annual Performance evaluations for 2014/2015 have been conducted after the adoption of the Annual Report with Oversight in March 2016 to all Directors and Managers.</p>			
7.	Adoption and implementation of HRD plan including WSP	2015/2016 WSP was prepared, adopted and submitted to the LGSETA.			
8.	Percentage of staff that have undergone a skills audit (including competency profiles) within the current 5 year term	164	8.	Percentage of staff that have undergone a skills audit (including competency profiles) within the current 5 year term	164
9	Percentage of councillors who attended a skill development training within the current 5 year term	36	9	Percentage of councillors who attended a skill development training within the current 5 year term	36
10	Percentage of staff complement with disability	12	10	Percentage of staff complement with disability	12



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	Indicator name	Total number of people (planned for) during the year under review	Achievement level during the year under review	Achievement percentage during the year	Comments on the gap
11	Percentage of female employees	164	11	Percentage of female employees	164
12	Percentage of employees that are aged 35 or younger	164	12	Percentage of employees that are aged 35 or younger	164

Chapter: Basic Service delivery performance highlights (KPA 2)

Annual performance as per key performance indicators in water services

This part is the function of the Alfred Nzo District Municipality.

	Indicator name	Total number of household/customer expected to benefit	Estimated backlogs (actual numbers)	Target set for the FY under review (actual numbers)	Number of HH/customer reached during the FY	Percentage of achievement during the year
1	Percentage of households with access to potable water	NA	NA	NA	NA	NA
2	Percentage of indigent households with access to free basic potable water	NA	NA	NA	NA	NA
3	Percentage of clinics with access to potable	NA	NA	NA	NA	NA



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	water					
4	Percentage of schools with access to potable water	NA	NA	NA	NA	NA
5	Percentage of households in formal settlements using buckets	NA	NA	NA	NA	NA

Annual performance as per key performance indicators in Electricity services

	Indicator name	Total number of household/customer expected to benefit	Estimated backlogs (actual numbers)	Target set for the f. year under review (actual numbers)	Number of HH/customer reached during the FY	Percentage of achievement during the year
1	Percentage of households with access to electricity services	27,481	15 631	580	580	2%
2	Percentage of indigent households with access to basic electricity services	365	365	1 708	365	21
3	Percentage of indigent households with access to free alternative energy sources	5 581	10 002	5 581	5 581	58



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Annual performance as per key performance indicators in sanitation services

This part is the function of the Alfred Nzo District Municipality.

	Indicator name	Total number of household/customer expected to benefit	Estimated backlogs (actual numbers)	Target set for the f. year under review	Number of HH/customer reached	Percentage of achievement during the year
1	Percentage of households with access to sanitation services	NA	NA	NA	NA	NA
2	Percentage of indigent households with access to free basic sanitation services	NA	NA	NA	NA	NA
3	Percentage of clinics with access to sanitation services	NA	NA	NA	NA	NA
4	Percentage of schools with access to sanitation services	NA	NA	NA	NA	NA

Annual performance as per key performance indicators in road maintenance services

	Indicator name	Total number of household/customer expected to benefit	Estimated backlogs (actual numbers)	Target set for the f. year under review (Actual numbers)	Number of HH/customer reached during the FY	Percentage of achievement during the year
1	Percentage of households without access to gravel or	27481	18 109	1853	1853	6.7%



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	graded roads					
2	Percentage of road infrastructure requiring upgrade	11 225	9 372	IPD	IPD	0%;
3	Percentage of planned new road infrastructure actually constructed	1853	16 256	1853	1853	6.7%
4	Percentage of capital budget reserved for road upgrading and maintenance effectively used.	R500 000 000	342,650,000	14,323,120	14,323,120	2.8%

Annual performance as per key performance indicators in waste management services

	Indicator name	Total number of household/customer expected to benefit	Estimated backlogs (actual numbers)	Target set for the f. year under review	Number of HH/customer reached	Percentage of achievement during the year
1	Percentage of households with access to refuse removal services	24 397 households	23 754 households	643 households	320 households	8%
2	Existence of waste management plan	The municipality is implementing an Integrated Waste Management Plan (IWMP). The IWMP was reviewed and adopted by the Council and it was also submitted to the MEC for DEDEAT for gazetting.				



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Annual performance as per key performance indicators in housing and town planning services

	Indicator name	Total number of household/customer expected to benefit	Estimated backlogs (Actual numbers)	Target set for the f. year under review	Number of HH/customer reached	Percentage of achievement during the year
1	Percentage of households living in informal settlements	0,0004	56	56	56	56
2	Percentage of informal settlements that have been provided with basic services	0	0	0	0	0
3	Percentage of households in formal housing that conforms to the minimum building standards for residential houses	80%	20%	100%	80%	80%
4	Existence of an effective indigent policy	<p>THE INFORMATION SHOULD BE REFLECTED IN A NARRATIVE FORM</p> <p>The Indigent Policy is reviewed every year before the beginning of the financial year. The current threshold for the qualifying indigent beneficiaries is R1500 per household. The municipality is subsidising the following services to the qualified indigent applicants:-</p> <ul style="list-style-type: none"> • Electricity - 50kwt • Paraffin – 5L • Solar – maintenance • Refuse collection – 50% rebate • Rates – 50% rebate 				



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5	Existence of an approved SDF	The SDF was developed and adopted by council in 2012. The SDF cover Environment, Tourism corridors, Nodal development zones and LED existing and proposed projects.
6	Existence of Land Use Management System (LUMS)	The land use scheme was adopted by council in 2012. This scheme consists of regulations, town planning register, zoning and land use plans.

**CHAPTER: MUNICIPAL LOCAL ECONOMIC DEVELOPMENT FRAMEWORK-
(KPA 3)**

Annual performance as per key performance indicators in LED

	Indicator name	Target set for the year	Achievement level during the year (absolute figure)	Achievement percentage during the year
1	Existence of LED unit	20	14	70%
2	Percentage of LED Budget spent on LED related activities.	R400 000	R400 000	100%
3	Existence of LED strategy	The LED strategy has been adopted by the council in 2015/16 and is on its implementation.		
4	Number of LED stakeholder forum meetings held	4	3	75%
5	Plans to stimulate second economy	5	5	100%
6	Percentage of SMME that have benefited from a SMME support program	40	More than 40 SMME benefited from Catering, supply and delivery of services, joint venturing with developed companies.	More than 100%
7	Number of job opportunities created through EPWP	100	158	More than 100%



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	Indicator name	Target set for the year	Achievement level during the year (absolute figure)	Achievement percentage during the year
8	Number of job opportunities created through PPP	0	0	0

Chapter: MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT (KPA 4)

Annual performance as per key performance indicators in financial viability

	Indicator name	Target set for the year R(000)	Achievement level during the year R(000)	Achievement percentage during the year
1	Percentage expenditure of capital budget	100% (R112 965 591)	R102 082 826)	90%
		Target set for the year (35%) R(000)	Achievement level during the year R(000)	Achievement percentage during the year vs the operational budget
2	Salary budget as a percentage of the total operational budget	49% (R55 859 995)	R53 807 285	47%
		Target set for the year (20% or less) R(000)	Achievement level during the year R(000)	Achievement percentage during the year vs the actual revenue
3	Trade creditors as a percentage of total actual revenue	9% (R21 100 000)	4% (R8 087 985)	96%
		Target set for the year (80% and more) R(000)	Achievement level during the year R(000)	Achievement percentage during the year
4	Total municipal own revenue as a percentage of the total actual budget	8% (R18 286 627)	R16 065 070	7%



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		Target set for the year R(000)	Achievement level during the year R(000)	Achievement percentage during the year
5	Rate of municipal consumer debt reduction	5% (R550 000)	R572 352	104%
6	Percentage of MIG budget appropriately spent	100%(R26 395 500)	R26 395 500	100%
7	Percentage of MSIG budget appropriately spent	R930,000	930,000	100%
8	AG Audit opinion	Unqualified Audit Opinion	Qualified Audit Opinion	80%
9	Functionality of the Audit Committee	04 meetings 2015/2016 scheduled for the sitting the Audit Committee	8 audit committee meetings sat in the financial year 2015/2016	200%
10	Submission of AFS after the end of financial year	31 August 2016	31 August 2016	100%

Chapter: GOOD GOVERNANCE AND PUBLIC PARTICIPATION- (KPA 5)

No	Indicator name	Target set for the year	Achievement level during the year (absolute figure)	Achievement percentage during the year
1	% of ward committees established	Ward committees were established during 2011/12. This was done according to the ward committee functioning policy that requires the establishment of ward committees to cover five years period	100%	100%
2	% of ward committees that are functional	Monitor and report on ward committees' performance	100%	100%
3	Existence of an effective system to monitor CDWs	The municipality does not have the effective system to monitor CDWs		



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No	Indicator name	Target set for the year	Achievement level during the year (absolute figure)	Achievement percentage during the year
4	Existence of an IGR strategy	<p>Ntabankulu Intergovernmental Relations Strategy in line with Intergovernmental Relations Framework Act, Act 13 of 2005 was adopted by Council in 2012 with its clusters as follows:</p> <ul style="list-style-type: none"> • Local Economic Development Cluster • Local Communications Forum Cluster • Institutional Development and Organizational Transformation Cluster • Community Services Cluster • Budget and Treasury Cluster • Basic Services Delivery Cluster <p>Objectives and Functioning of the Intergovernmental Relations Cluster and its clusters are clearly outlined in the terms of reference adopted in 2015 by Ntabankulu Local Municipality as follows:</p> <ul style="list-style-type: none"> • Coherent Planning and development • Coordination and alignment of the strategic and performance plans & priorities; objectives and strategies of the municipality • Coordinating any matter of strategic importance which affects the interests of municipality's stakeholders 		
5	Effective of IGR structural meetings	<p>The Municipality's IGR structures are functional and sit on a regular basis per its Terms of Reference. The IGR structures sat three IGR Sessions in the financial year 2015/2016.</p> <p>However challenges were experienced in terms of representation of Sector Departments. This has resulted in lack of information circulating between the Municipality and Sector Departments and between the government institutions and community. The Municipality reviewed its IGR Terms of reference and were adopted by Council on the 27th May 2016 for implementation in the next financial year.</p>		
6	Existence of an effective communication strategy	The strategy was adopted in 2012 and is reviewed annually. The strategy consist of action plan, mediums of communication and communication levels.		
7	Number of mayoral imbizo conducted	2 IDP Outreach Programmes	2 IDP Outreach Programmes conducted	100%
8	Supply Chain Management	Supply Chain Management unit is operational, and the Supply Chain Policy has been reviewed and adopted by the Council on 30th of May 2015. The Supply chain unit is established and fully functional with all the Bid Committees functional.	8	Supply Chain Management



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No	Indicator name	Target set for the year	Achievement level during the year (absolute figure)	Achievement percentage during the year
		<p>The Municipality complies with the SCM policy and with the legislations, circulars and gazette. The procurement plan has been developed for 2015/2016.</p> <p>The document management is being improved. Awards above R30 000 were reported to Council and National Treasury on quarterly basis. The data base is updated timeously on an electronic supply data base system. The Municipality does not have any long term contract awarded during the current financial year. The procedure manual has been reviewed and will be tabled to the Management for comments. The training for the Supply Chain practitioners is budgeted for and will be carrying out during the 2016/2017 financial year.</p>		
9	FREE BASIC SERVICES AND INDIGENT SUPPORT	<p>The indigent policy was reviewed and adopted by the Council in May 2015, the policy is at implementation stage with 365 beneficiaries on electricity, 5 581 beneficiaries on alternative energy (paraffin) and 203 for solar energy. The indigent steering Committee being constituted of traditional leaders, Budget and Treasury Port Folio Head, Ward Committee, Community Development Workers and two additional community members, has been established with the main purpose of verifying the list of indigent applications and recommending the indigent register to the Council for approval</p>	9	FREE BASIC SERVICES AND INDIGENT SUPPORT
10.	Existence of a fraud prevention mechanism	<p>Fraud and corruption prevention policy has been developed and submitted to Cogta for inputs and comments; the policy was tabled to the EXCO, Audit Committee and to Council for approval on the 27 May 2016.</p>		



RE: REQUEST FOR THE CONSIDERATION OF KEY PERFORMANCE INDICATORS IN THE DEVELOPMENT OF THE ANNUAL REPORT

It should also be noted that in November 2013 a circular letter was written to all municipal managers requesting them to consider incorporating these above key performance indicators to enable the annual reports to reflect on the performance information. Unfortunately this has not been considered and this resulted in the annual reports of municipalities lacking crucial performance information.

As the political head of the department I wish to request your good selves to pay close attention to the quality of the information that is provided in the reports before the adoption of annual reports. I also wish to draw your attention to the fact that these reports are the basis for me and the Minister to develop quality consolidated reports on the performance of municipalities within a financial year as stipulated in sections 47 and 48 of MSA respectively.

RECOMMENDATION

It is recommended that when municipalities develop their annual reports in accordance with circular 63, they should also consider reflecting performance information based on the indicators as advised herein. I humbly all Executive Mayors and Mayors request as political leaders in the local space, to ensure before signing off the annual reports, that these reports contain the information required in terms of the Key Performance Indicators.

Yours in Cooperative Governance

F.D. Xasa
Member of the Executive Council
Department of Local Government & Traditional Affairs

Date: _____



